

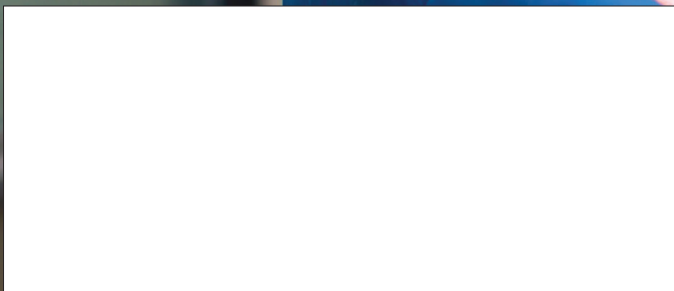
the taxpayer

Winter 2016

Irvin Leroux's Duty of Care battle P10

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From the President



Troy Lanigan
tlanigan@taxpayer.com

Adaptation, not mitigation

The idea that carbon taxes and cap-and-trade schemes imposed in Canada are going to reduce the Earth's temperature is absurd. Canada produces a mere 1.65% of the Earth's so-called greenhouse gas emissions. Euthanizing the entire Canadian population wouldn't amount to more than a global emissions rounding error.

But what carbon taxes will do is hurt the economy. In one story shared with me recently, a British Columbia developer was importing cement from overseas because BC cement plants have become too expensive under the province's carbon tax regime. So, coal-fired plants produce the product overseas and ship it to BC. Brilliant: lost Canadian jobs, lost Canadian revenues and even more CO2 pumped into the atmosphere from transporting the cement. Economic activity will predictably gravitate toward jurisdictions with lower energy costs.

Carbon taxes fall under the false belief that emissions can be mitigated (read: 1.2 billion humans should remain without electricity forever because morally superior governments and NGOs in the West tell them they should). Reduction targets set forth from Kyoto all the way to Paris demonstrate nothing more than politicians having a sense of humour.

None of these targets has or ever will be met.

Even *The Economist* magazine (an adherent to man-made global warming theory) declares: "The global effort to tackle climate change by imposing caps on countries' greenhouse-gas emissions ... is over."

I don't buy the wild-eyed claims that the Earth is burning up, but even if it were true, attempting mitigation — with some exceptions including black carbon (soot) — is a waste of time, effort and tax dollars. The more sensible path is adaptation.

Matthew Kahn of the University of California argues that while mitigation asks people to make sacrifices, because of the free-rider problem, "each of us has very weak incentives to alter our behaviour ... but we have very strong incentive to respond to whatever the climate throws at us."

In the 1920s, an average of 240 people out of every million died every year from extreme weather events:

“While mitigation asks people to make sacrifices, because of the free-rider problem, 'each of us has very weak incentives to alter our behaviour ... but we have very strong incentive to respond to whatever the climate throws at us.'”

drought, flood, windstorm, landslides, earthquakes, extreme temperatures and wildfires. Today, according to information from the International Disaster Database, that figure has dropped to just three per million. (As an aside, compare the climate "crisis" to the 1,200,000 that die of HIV / AIDS or the 438,000 that die of malaria each year.)

If this decline is any guide to the future, it shows how we'll more sensibly deal with further changes in the climate: adaptation. Better transportation,

better flood prevention, changes in agricultural practices, improvements in technology. To be sure, governments would waste a lot of spending in the process, but infrastructure investments in these areas would be far more sensible than economically damaging carbon taxes, "hot air" trading schemes and farcical mitigation strategies that will make the world's population less free, a lot poorer and less able to adapt. **t**

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Do we care?

There is nothing that matches the excessive overspending and wasteful spending of governments and individual Canadians to satisfy some innate individual greed. Our federal debt is almost \$616 billion or about \$17,000 for every Canadian.

The question I must ask is: do people really care about the debt loads the feds, provinces and territories and they personally are carrying? Do you think that people will get up from their comfortable pews and run to the government offices to pay their portion of these debts? Do you really believe that all levels of government will curtail their wanton and wasteful spending habits?

These manmade problems are too vast and extensive for the human being to solve, so what they do is simply bury their heads in the sand and pretend that the problems will somehow disappear. This scenario is played out right across our nation.

There is no indication by the federal government to eliminate its wasteful spending habits. It continues to pay for weapons of mass destruction and invade nations with those armaments and troops bombing innocent men, women and children under the false flag that they are doing this



CTF President Troy Lanigan (L) discussing Canada Revenue Agency court case with Irv Leroux

to save democracy. We continue to hand out subsidies to the have-not nations in the hopes that their people will improve their living conditions and increase economic activity for themselves, but all of these gifts – in the billions for decades – have proved to be worthless but our government continues to give and give.

Canadians are slow to wake up to the fact that sooner or later the bubble will burst. The legacy that they will leave for their children and grandchildren will be one gargantuan debt that no one will be able to service, and no increase in taxes will alleviate or solve the problems.

Al Romanchuk
Edmonton

Leroux's case (I sat in on the first hearing in the BC court case) and I was very thankful that the CTF made the decision to be the catalyst in raising the funds to extend this case and now to actually preserve this inherent right for all Canadians.

As you know, this decision will help immensely for those taxpayers in disputes with the CRA. I am personally involved on a regular basis where the CRA has no regard for, nor any accountability to, the taxpayers.

This is a game-changer in my view.

Robert Allen
Vernon, BC

Letters to the editor

Letters may be edited for length, content and clarity. Send your letters to:

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Fighting for Leroux

Your Federation is to be commended for coming to the rescue of Irvin Leroux and of now preserving the Taxpayer Bill of Rights for all Canadian taxpayers as well as the principle of "duty of care."

I have been dealing with the CRA representing taxpayers for 30 years. I have been aware of Mr.

Electoral reform

While voters are confused about how the different electoral systems work, they have made it abundantly clear they want all parties fairly represented in our Parliament.

Proportional Representation (PR) is the only electoral system that addresses this issue, and that is why it is used in virtually all democratic societies in the so-



called free world.

Another very important reason to use a proportional system is that it encourages the development of more parties, opening the doors for more people to get involved with the political process.

To make sure the majority of the MPs are elected in the geographic regions where they live, larger electoral districts will be created to include several federal ridings.

The process of nominating can-

didates does not change, but there are many ways of ranking the candidates on the party list – the list of candidates representing the different parties in an election.

Using a proportional ballot, voters mark the ballot to indicate the party of choice to establish how many seats it will get in the legislature, while on the same ballot they vote for and rank the candidates.

That makes it about as simple, honest and fair as it can possibly get.

It is in a way a win-win ballot, because you can vote for your favourite party and candidate without penalty.

It is also the only balloting system where every single vote is

used to elect a candidate.

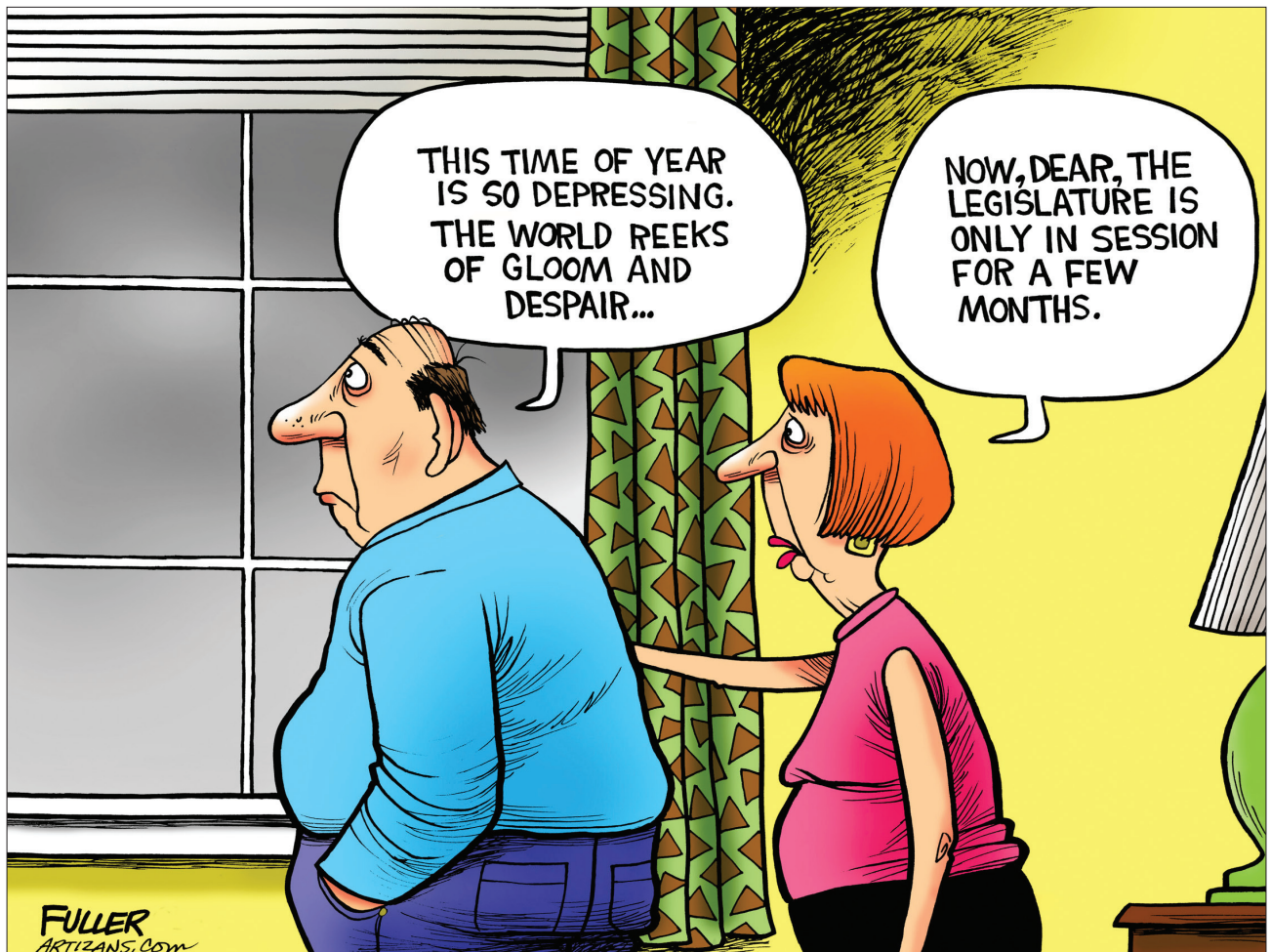
Mixed Member Proportional and Trudeau's preferential "instant run-off" models are both monumental disasters.

A preferential ballot will undermine the party structure, because millions of the voters will be obliged to choose between party and candidate.

It will also produce results that are similar to using our current electoral system: minority governments that miraculously get most of the seats.

Single Transferable Vote for BC was a preferential ballot, not a proportional ballot. That is why the referendum failed – twice.

Andy Thomsen
Peachland, BC





Musical stairs in Victoria

an interactive music and light show.

The city spent much of the money on “interactive music railing” in the stairwells at the six-storey Bastion Square Parkade.

As soon as people touch the handrail, sensors will cause it to spring into song.

It will feature such music as birdsongs in the spring, jazz during the city’s annual jazz festival and, of course, Christmas music in December. The railings will also light up when touched.

Source: *Victoria Times Colonist* | *Taxpayer.com*

Winnipeg’s toxic fire commissioner?

The fraudulent spending came to light in 2012, resulting in the dismissal of Jones and three employees. A forensic audit of the office reported very lax controls when it came to expense claims.

According to court documents, Jones used his government credit card for cash advances to pay down

In an effort to spruce up its dull and dark city parkades, the city of Victoria spent \$50,000 on murals and

Former Winnipeg fire commissioner Christopher Jones was sentenced to 21 months of house arrest after he made \$50,000 in false expense claims.

his personal line of credit and then made false expense claims to cover the fraud. Three employees helped him carry out the scam, but did not personally benefit from it.

Two of the employees were fired and the third retired.

Though Jones pleaded guilty, he claimed a toxic work environment contributed to his illegal activities.

The judge stated “it was the cavalier attitude of the fire commissioner’s office that was toxic. It was up to him (Jones) to detoxify the system. Instead, he exploited the disarray for his own personal gain.”

Source: *Winnipeg Sun* | *CTV News*

The stories of waste at last summer’s Pan Am Games in Toronto continue to make headlines.

The latest involves a \$140,000 contract to provide free haircuts and manicures to athletes.

Allan Parss Salon and Spa, considered one of Toronto’s top-end hairstylists, was paid \$4,000 a day to provide a receptionist, three nail technicians and three stylists.

In addition, the seven workers were given access to the free meals available to Pan Am athletes even though the contract never required this benefit.

The games generated \$205 million in revenue and cost \$2.4 billion, with the shortfall picked up by Toronto and Ontario taxpayers.

Source: *Toronto Sun*

Cold weather? In Saskatoon?

Saskatoon city council wasted nearly \$5.3 million installing 325 new hightech parking meters.

The meters were capable of taking a picture of a car’s licence plate and issuing a ticket when a meter expired.

However, the system ran into some immediate problems. First the city doesn’t have the authority to issue parking tickets

Were 382 people really necessary?



Pierre Metivier/Flickr/Creative Commons

Eiffel Tower in Paris

by mail, so it still needed attendants to write out tickets the old-fashioned way.

Secondly, the meters are solar powered ... so only work as long as it doesn't snow. And if the snow isn't cleared off the solar panels, their batteries eventually die and they stop working entirely. So a city employee is sent out to clear them off as needed.

Yet the biggest problem is that the parking meters don't work in cold weather. (Remember, this is Saskatoon.) Apparently a small spring that opens the coin flap freezes, preventing people from inserting coins.

So while city council and bureaucrats were salivating over an anticipated \$1.3-million revenue increase, revenues have actually declined \$1 million in the first year of operation.

Source: *Saskatoon Star Phoenix*

Alberta Easter egg hunt

A taxpayer-funded \$900 Easter egg hunt for adult employees was among the quirky spending at the Alberta School Boards Association uncovered by the Canadian Taxpayers Federation.

The association also spent \$100 to \$150 each for Christmas gifts for workers, totalling \$7,803 over three years. In addition, the 22 staff members received \$50 gift cards – and a cake – on their birthdays.

Total spending on staff gifts, meals, recognition and planning events was more than \$41,000 between 2012 and 2014.

Source: Canadian Taxpayers Federation

BC's film flim-flam

With the low Canadian dollar, US movie producers are looking northward to produce new feature films.

They will also benefit from lucrative subsidies offered by several Canadian provinces including British Columbia.

A 2014 hack revealed that Sony Pictures received a \$2.86-million government subsidy

to produce the *Smurfs* movie in BC, more than half of the total \$5 million in wages it paid.

Sony raked in revenues of over half a billion dollars (\$563 million) from the film.

Sony also received a \$7.7-million subsidy toward its \$13.3-million BC wages for *Amazing Spider-Man 2*. That movie grossed \$709 million.

Over the past five years, the BC government has handed out \$1.5 billion in film subsidies.

Source: Canadian Taxpayers Federation

Shortly after his election as prime minister, Justin Trudeau found himself in a minor media firestorm when it was discovered taxpayers were on the hook for two nannies to look after the Trudeaus' three young children.

The "assistants" will receive \$15 to \$20 an hour when working during the day and between \$11 and \$13 hourly while babysitting at night.

Some pundits pointed to Trudeau's campaign criticism of the Harper government's enhanced universal child-care benefit, complaining that it subsidized Canada's rich. Aside from his inherited wealth, with an annual salary of \$334,800 Trudeau is clearly among Canada's 1%.

A tale of two nannies



Canada House in Trafalgar Square, London, England

Photo: Tom Flemming/Flickr/Creative Commons

An expensive party in London

Meanwhile, others criticized the nannies' low wages.

Trudeau did state he planned to adjust the PM's household allowance so taxpayers would not pay more than they did for Stephen Harper's family.

Source: CBC News

Edmonton's crushing contracts

With the city of Edmonton planning to raise property taxes another 5% this year, city officials were in spin mode trying to defend questionable spending uncovered by the city auditor who reviewed contracts at Edmonton's waste management centre.

He noted in particular a concrete-crushing contract worth about \$167,000. The city was in desperate need for 14,000 additional tonnes of concrete by the end of August not covered under the existing contract. The city and private vendor scrapped the original contract and issued a new one valued at \$221,000.

However, the company didn't provide the concrete and instead subcontracted the work out to a second firm which in turn subcontracted it again to two other companies.

It turned out the city only needed 3,000 tonnes rather than 14,000, and wouldn't need it until four months after the urgent deadline set in the sole-source contract.

The auditor also noted that city bureaucrats had no proof of delivery before paying the invoices. After it was all sorted, the auditor estimated the city overpaid \$65,000.

But it didn't stop there; the auditor also uncovered the city overpaid \$177,000 on a \$3-million contract paid to a trucking company to distribute materials around a site.

The agreement was so badly written that the city paid for full 12-hour shifts even though the drivers only worked a few hours a day. The city also paid for work on holidays, even though no one actually showed up for work.

Source: *Edmonton Journal*

Maybe try Uber instead

Some Montrealers are incensed that the city is spending \$337,000 a year on three chauffeurs for the mayor and top bureaucrats.

The mayor has his own chauffeur while members of the city's executive share the other two.

The mayor's chauffeur costs taxpayers \$200,000 – not including the cost of the car.

The \$200,000 is composed solely of salary, overtime and benefits for the driver, who is on call seven days a week.

Source: *National Post*



Photo: Jordon Cooper/Flickr/Creative Commons

Winter night in Saskatoon

A new prime minister wanted the world to know that "Canada is back," so taxpayers flew 382 of his warmest friends to Paris for a couple of weeks.

Paris learns Canada is back (and forth)

Canada's entourage at December's climate-change conference was second only to host France's 396 delegates. In fact, there were more attendees from Canada than from the US, England and Australia combined.

Considering Canada only generates 1.65% of the world's "greenhouse gases,"

Saskatoon city council unaware of how cold it gets in their city

we are a minor player when it comes to emissions. But when it comes to spending tax dollars, we're a giant.

Our delegation included an official photographer for BC Premier Christy Clark as well as an "event organizer."

Other attendees included the leader of the New Brunswick Green Party and Hydro-Quebec's security coordinator.

Of course, Ontario Premier Kathleen Wynne was in attendance ... sort of. She arrived a couple of days before the conference started, Nov. 28, and then flew back to Ontario on the second day of meetings, Dec. 1. She returned to Paris Dec. 6 and then flew home Dec. 9.

Source: *Vancouver Sun* | *The Vancouver Province* | *National Post*

The \$4,000 typo

Taxpayers spent \$209,000 on last year's gala re-opening of Canada House in London, England, after its renovations.

The building serves as the headquarters of the Canadian High Commissioner.

The extravaganza that only lasted a few hours included spending \$9,716 just to ship Canadian wine to England by sea.

As well, another \$1,470 was spent on six keys made of "antique" gold/pewter for the occasion. The 3,000 specially designed invitations cost \$10,606 and the recipients included the Queen and Prince Philip, who both made an appearance.

However, what the \$209,000 didn't include was the \$4,000 spent on fixing a typo in a bronze plaque unveiled by the Queen. There was a three-letter mistake on its French translation. It read "Premier Minister Stephen Harper" and should have read "Premier ministre Stephen Harper."

The plaque originally cost \$16,000. Its last-minute order may have contributed to the mistakes.

Source: CBC News

Why are we subsidizing Hollywood stars?

According to Ontario's auditor general, Bonnie Lysyk, when it comes to handing out business subsidies, the government has its favorites that keep wallowing in the tax trough.

Since 2004, the Ministry of Economic Development, Employment and Infrastructure has handed out \$1.45 billion in grants and subsidies.

The vast majority of the funds – 80% – go to certain select businesses that are secretly invited to apply for the money.

When the auditor asked the ministry what criteria it used to choose companies for government handouts, it was unable to provide the information.

Further, she noted the government never followed up to find out how effective the funding was in creating or retaining long-term jobs. The financial arrangements usually extend for five years, but once the term ended the government did not track the results.

Nine other departments and agencies were also providing corporate welfare, estimated to be an additional \$1.8 billion. She found there was no coordination between departments as to which businesses were receiving the corporate welfare.

Source: *National Post*

These are a few of our favourite firms



On the set of "Gracepoint" in Victoria, BC

Photo: Province of British Columbia/Flickr/Creative Commons

'Duty of care' FIGHT OVER

Irvin Leroux's 20-year battle with the CRA comes to a (mostly) successful end



by Scott
Hennig
VP Communications

Long-time readers of *The Taxpayer* will be familiar with Irvin Leroux, a Canadian hero who fought the Canada Revenue Agency (CRA) for 20 years. And while not completely successful, he recently battled the taxman for the last time, enshrining a precedent-setting court judgment that will make the CRA treat all taxpayers with greater respect.

Irvin Leroux's story starts 27 years ago in 1989 when he purchased a piece of land near Valemount, BC, to build an RV park.

Six years later, the federal tax department came knocking, looking to audit his business.

Knowing he paid all of his taxes on time, Irvin allowed the auditors in to go through his documents while he attended to his RV park. CRA auditors took two file cabinets' worth of original documents and left before Irvin could return.

Three years later, in 1999, Irvin got a letter from the CRA informing him he owed \$630,000 in income taxes and \$98,000 in GST underpayments. He was also slapped with penalties and interest that bumped the total to nearly \$1 million.

Irvin knew this was a mistake and asked the CRA auditors to return his records so he could prove it. To his horror, he was told the agency had accidentally shredded all of his documents.

Before he could have his day in tax court, the CRA issued a writ of seizure and sale on his RV park. His creditors panicked and refused

to renew his loans, foreclosing and selling the RV park for less than half the appraised value.

In order to pay his lawyers, he had to empty his retirement savings and sell his house and other assets.

Finally in 2005, on the eve of going into tax court, the CRA changed their story and told Irvin that they were wrong, he didn't owe \$1 million and in fact, they owed Irvin a \$24,000 refund.

Irvin was not happy.

He took his case to his local MP, Dick Harris, who in turn went to the minister of national revenue, who suggested if Irvin sued the government, they would settle out of court.

So, that's what Irvin did. In 2009, he scraped together a bit more money and sued the CRA, expecting a quick settlement.

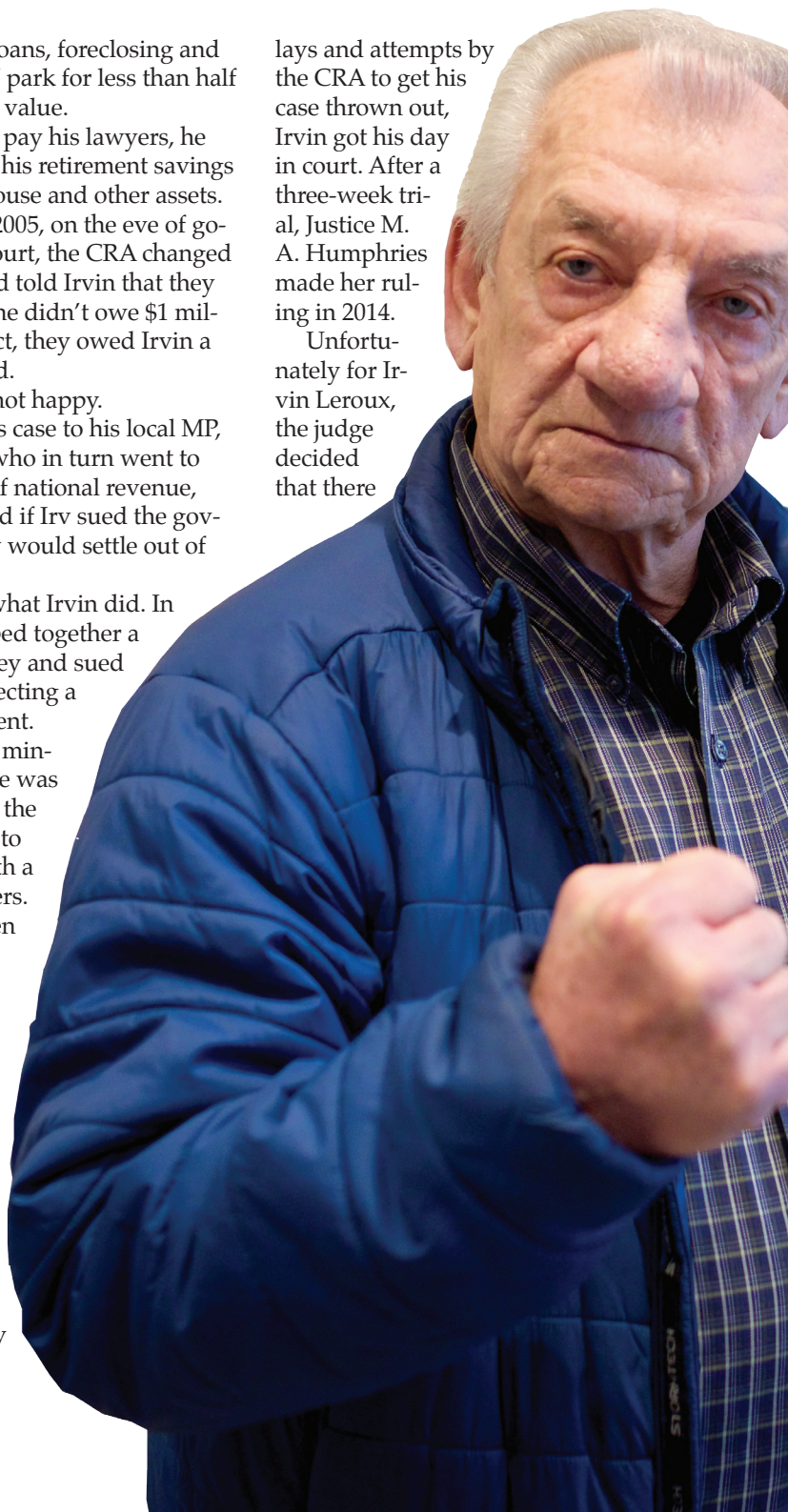
Nope. The minister's promise was forgotten and the CRA decided to fight Irvin with a team of lawyers.

That's when the Canadian Constitution Foundation, a charitable organization dedicated to defending our fundamental freedoms and rights, offered to help.

After many motions, de-

lays and attempts by the CRA to get his case thrown out, Irvin got his day in court. After a three-week trial, Justice M. A. Humphries made her ruling in 2014.

Unfortunately for Irvin Leroux, the judge decided that there



wasn't enough evidence to back his claimed loss of \$4 million. The good news was that the judge ruled that the CRA owed Irvin a "duty of care" and that the CRA had breached this duty in the way they treated him.

"Duty of care" is defined as "a legal obligation which is imposed on an individual requiring adherence to a standard of reasonable care while performing any acts that could foreseeably harm others." It also means if this duty is violated, they can be sued for damages.

When it comes to the CRA, duty

the CRA owed no duty of care to anyone other than the minister of national revenue.

Justice Humphries's ruling changed all of that.

It's too early to know the full impact of this ruling. However, we've already seen tax lawyers cite Irvin's precedent in other tax court cases. Alison Gray, a partner with Bennett Jones LLP, wrote: "for Canadian taxpayers, Leroux is a winning decision, as it reinforces the CRA's accountability in issuing assessments, auditing and imposing penalties ... the Leroux decision provides an additional check on what can and cannot

be done by employees of the CRA in the course of their duties."

This was huge news for all Canadian

payers Federation joined in. We knew our friends at the Canadian Constitution Foundation had already spent hundreds of thousands on his case and it was time for someone else to step up.

With the financial support of hundreds of CTF supporters, Irvin hired two high-end tax lawyers.

After a year and a half of preparations, it became clear that there was no chance Irvin was going to be able to introduce new evidence at the appeal and was going to lose. His lawyers were able to negotiate an agreement with the CRA that dropped Irvin's appeal and ended the CRA's appeal on the duty of care.

The CRA agreed to that. However, inexplicably, they insisted that Irvin pay them \$10 towards their court costs.

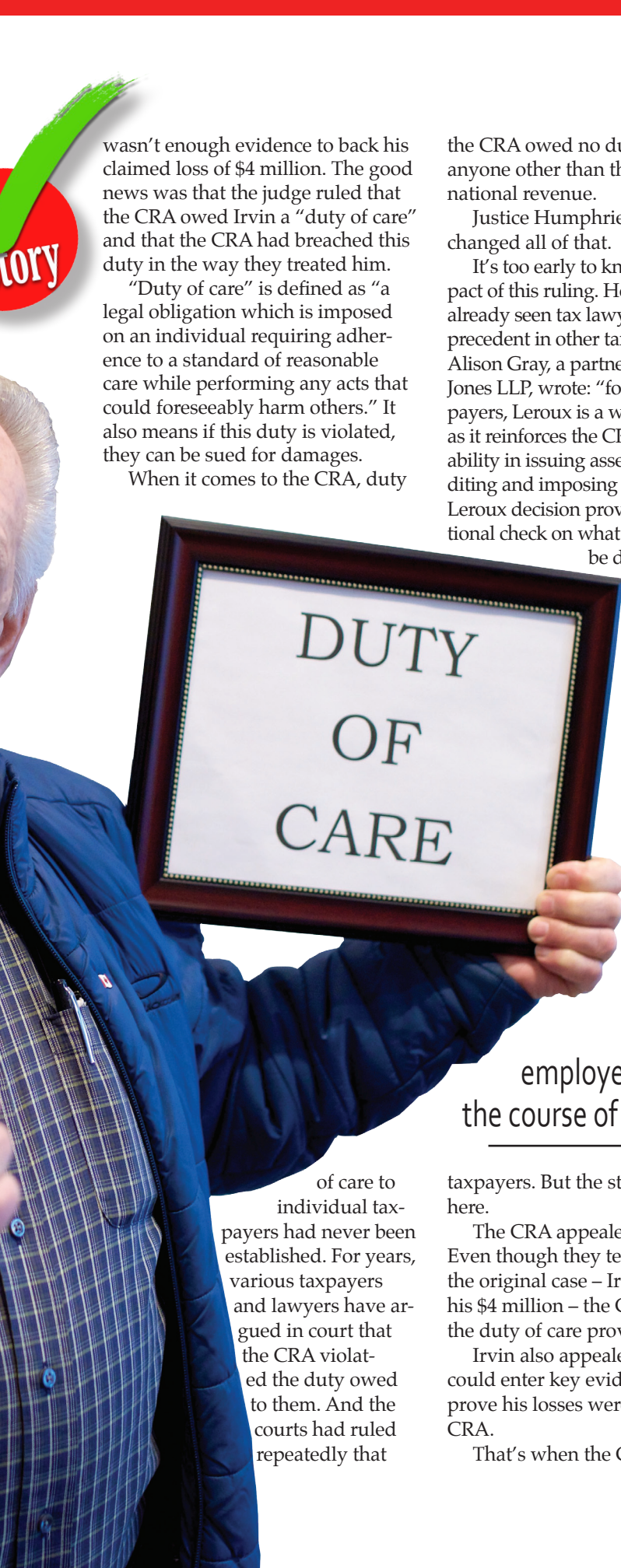
It was gratuitous and stupid and it nearly sank the deal.

But at the end of the day, it wouldn't bother the CRA to spend millions of taxpayers' dollars to keep lawyers fighting over \$10 and maybe get a judge to throw out duty of care. Neither Irvin nor the CTF could justify the risk of losing duty of care nor spend tens of thousands to save \$10 and some pride. So on Jan. 8, 2016, in the BC Court of Appeal, Irvin agreed to pay \$10, end his 20-year fight with the CRA and protect the duty of care ruling.

Make no mistake, Irvin

Leroux is a hero. Most people would have just declared bankruptcy and never fought the CRA in the first place. And when the settlement didn't come, most people wouldn't have spent their last few bucks to keep fighting.

In the end, it was that heroic fight that won all Canadians a duty of care from their government's tax department. And for that Irvin Leroux deserves our thanks. **t**



DUTY
OF
CARE

“The Leroux decision provides an additional check on what can and cannot be done by employees of the CRA in the course of their duties.”

of care to individual taxpayers had never been established. For years, various taxpayers and lawyers have argued in court that the CRA violated the duty owed to them. And the courts had ruled repeatedly that

taxpayers. But the story didn't end here.

The CRA appealed this ruling. Even though they technically won the original case – Irvin didn't get his \$4 million – the CRA appealed the duty of care provision.

Irvin also appealed, hoping he could enter key evidence that would prove his losses were caused by the CRA.

That's when the Canadian Tax-



**GENERATION
SCREWED.ca**



Student organizers join Generation Screwed Executive Director Aaron Gunn at the Calgary Action Forum held on Nov. 28th, 2015

Make Alberta debt-free again



by Aaron Gunn
Generation Screwed
Executive Director

It's time to fight back. On the heels of Generation Screwed's hugely successful Montreal Action Forum in May 2015, which drew more than 100 people, co-ordinators across the country began inquiring about bringing an event of that scale to their local university campus.

Nowhere was this call more urgent than in Alberta, where Mount Royal University's Andrew Yule and University of Calgary's Caitlyn Madlener led the charge to hold the movement's second Action Forum event in their hometown.

Ten years after becoming the first Canadian province to pay off its debt, Alberta had plunged back into the red at alarming speed. The debt is set to pass \$18 billion by the end of this fiscal year and double before the next election.

Future generations are being left with the bill.

With a faltering balance sheet, fractured opposition and a legion of young people ready and willing to lead the charge against large and prolonged deficits, the decision on where to hold our next Action Forum was never a hard one to make. The results exceeded even our

heightened expectations.

More than 150 Generation Screwed supporters – students and non-students alike – gathered Nov. 28 at Mount Royal University for a day-long discussion and to rally behind our campaign to “Make Alberta debt-free again.” The sold-out event constituted the largest in Generation Screwed's history.

A dozen public policy leaders joined us as we examined the challenges, and solutions, to mounting government debt, increasingly unsustainable social programs and an aging population. Speakers included leaders in non-profit advocacy, academia, media, industry and electoral politics. To top it off, the event received more media coverage than any previous Generation Screwed event to date.

And how could we forget about the hats? Everyone's favorite conference wearables, adorned prominently with the slogan “Make Alberta debt-free again,” were quickly scooped up by giddy attendees.

Fighting back for their generation

While CTF staff assisted in the organization and planning of the event, the lion's share of the work fell to a handful of student volunteers who balanced university exams and part-time jobs with their unwavering commitment to Generation Screwed and the future of their peers.

Locally, the team was spearheaded by Generation Screwed campus co-ordinators Andrew Yule and Caitlyn Madlener, and their event organ-





izing committee, consisting of Naomi Moker, Garrett Lafferty, Brady Pember and Sydney Madden. Together these students worked to plan, promote and execute the event.

And it wasn't just our team in Calgary who made the event a reality. Student co-ordinators from across the country played key roles and were fundamental to the event's success.

From London, Western University's Piercon Knezic arranged ac-

commodations for our speakers, while in Montreal Charles Gagné, André Beaumier and Renaud Brosard led the printing and assembly of conference materials. Marc-Antoine Juanéda, also from Montreal, designed and implemented both our conference website (www.GS-Calgary.ca) and online registration system.

It was the first nationally-coordinated, student-led event in Generation Screwed's history.

But it certainly won't be the last.

Already our students are planning up to three more signature Action Forum events. The first, in Quebec City, will take place this spring and is already live online at www.GSQuebec.ca.

Good luck to the co-ordinators of the upcoming action forums and to Andrew, Caitlyn and the Calgary organizing committee, thank you once again for taking a stand for your generation.

New co-ordinators leading the way

Each year, many of our student co-ordinators graduate and move on to their careers. On one hand, this creates the enduring challenge of finding replacements for universities and colleges across the country. On the other hand, it provides Generation Screwed with a steady stream of young talent bringing new ideas and rejuvenation to the movement.

For the 2015-16 academic year, 12 bright new co-ordinators joined our team. In Ontario, this sense of renewal was particularly strong as seven campuses welcomed fresh faces with new ideas. Already their presence

is being felt.

At Queen's and York Universities, Danielle Shachar and Vanessa Walsh organized numerous social and activism events while planning even more for 2016. Elsewhere, co-ordinators have registered Generation Screwed as an official club with their universities, built club executives and presented the ideas of the campaign to their student body through tabling on campus.

One of the most successful events was at the University of Toronto, where new campus co-ordinator Mack Blyth hosted the CTF's Ontario Director Christine

Van Geyn. She educated the students about the short- and long-term dangers of government debt in addition to the unique challenges posed by unfunded liabilities and an aging population.

Now, that's not to say our veteran co-ordinators were overshadowed.

In Montreal alone, our experienced co-ordinators held more than a dozen socials, tablings and events. Guest speakers included lecturer, author and columnist Vincent Geloso, longtime supporter and activist for the freedom of association of Quebec's students Alexandre Meterisian, and CTF Federal Director Aaron Wudrick. The speakers engaged the students on a wide range of issues including the dangers of deficit spending, the Quebec student protests and the ticking demographic time bomb. **t**

“In Montreal alone, our experienced co-ordinators held more than a dozen socials, tablings and events.”

Liberals switch off the lights on First Nations accountability



by Todd MacKay
Prairie Director

The new Liberal government is gutting the *First Nations Financial Transparency Act* (FNFTA), which came into effect in 2013 under

the Conservatives.

It's not because the legislation hasn't been successful. Because of the act, more than 90% of First Nations are posting the salaries and expenses of their chiefs and councils as well as their communities' standard financial statements. This is basic transparency other Canadians take for granted. This important law has illuminated interesting information.

Some First Nations leaders take no salary at all. Near Kamloops, BC, Boneparte Indian Band Chief Randy Porter says he already has a good job and he's willing to serve his community for free. Not only has he forgone pay for two years, he was "blown away" by some of the high salaries that were disclosed in other communities.

Some First Nations leaders are paid more than the prime minister.

Kwikwetlem First Nation Chief Ron Giesbrecht received \$930,793 in 2013-14. It turned out that \$800,000 of that money came as a bonus for selling the community's rights to a piece of land. Apparently, the windfall surprised Chief Giesbrecht. How could he have known he'd turn up the "band error in your favour" card?

He wasn't the only one surprised.

"If it wasn't for this new transparency act, I don't think we ever would have known," said

Kwikwetlem band Councillor Marvin Joe in August 2014.

That's the great thing about sunlight: it shines on Chief Porter, so that he gets the credit he deserves, and on Chief Giesbrecht, so that he has to answer questions about his big payday.

Unfortunately, dark clouds are overshadowing this recently found transparency in First Nations communities. The Conservative government had withheld non-essential funding from the tiny minority that failed to comply with the law and took action in the courts to force them onside. The new Liberal government is undoing that work.

"In keeping with our commitment to a renewed, nation-to-nation relationship, the government of Canada will suspend any court actions against First Nations who have not complied with the Act," said Indigenous and Northern Affairs Minister Carolyn Bennett in a written statement in December. She went on to then say, "transparency and accountability are paramount to any government, whether it is municipal, provin-

cial, federal or First Nation."

If Bennett were a hockey referee, she'd be letting the goons out of the penalty box and pocketing her whistle. It's a bad signal to both the minority who are misbehaving and the majority who are trying to play within the rules. She delivered the news on the Friday afternoon before Christmas to ensure she wouldn't have to justify her decision to the media. It's easy to see why she didn't have the guts to face the heat in person.

"The FNFTA is essential for responsible government," stated the *Globe and Mail* editorial board last August. "The governed always need to know what the governors are up to."

"It is a critical and overdue measure of accountability: in common with other politicians in Canada, aboriginal chiefs cannot properly be accountable to the people they represent if their finances are not open to scrutiny," echoed the *National Post* editorial pages in September.

"The Liberals came to power promising more open, transparent governance," concluded the *Toronto Star's* editorial in December. "That should go for Ottawa and First Nations alike. No exceptions."

The consensus extends beyond the Canadian media establishment.

"Transparency is a logical idea," wrote First Nations author Richard Wagamece in *First Nations Drum* in October. "Why not show Canadians how well we can manage our own affairs?"

Perhaps Bennett worried it would be awkward to have an extended conversa-



“Some First Nations leaders take no salary at all. Near Kamloops, BC, Boneparte Indian Band Chief Randy Porter says he already has a good job and he’s willing to serve his community for free.”

tion with First Nations leaders while their lawyers duked it out in court. But the talking shouldn't take long. Accountability isn't culturally relative – it's a universal matter of right and wrong. Leaders' salaries are published in the US, Brazil, France, South Africa, India, Japan and many, many others. What makes Onion Lake First Nation so special that it doesn't need to publish its chief's salary?

So Bennett wants to have a nice chat. Fine, but it needs to be quick. And it absolutely must not weaken or water down accountability in any way. Some First Nations leaders are suggesting that disclosures should be voluntary or available to band members only. That would be like voluntary drug testing for Olympic athletes with the results kept within the team. If the non-compliant minority refuses to see the light in short order, Bennett needs to immediately start enforcing the current legislation.

Accountability and good governance are not simply theoretical concepts.

Charmaine Stick is a grandmother who takes care of six children on the Onion Lake First Nation, where Chief Wallace Fox is one of the few band leaders who fought the government in court to keep his salary and expenses secret. Stick doesn't know how much her chief is paid but she's well aware of the fact that the average income for people living in her community is \$17,528. Accountability is critical to help Stick move her community forward.

Here's the thing: Bennett has access to Onion Lake's financial information; she's well aware that Chief Fox has faced calls for his resignation due to questionable investments; and she's also aware that Chief Fox, at time of writing, was facing assault charges.

Bennett can shield Chief Fox and a few other First Nations leaders from accountability. Or she can let the light illuminate the path to good governance for First Nations communities. It shouldn't be a difficult choice if she truly believes "transparency and accountability are paramount to any government." **t**

“Some First Nations leaders are paid more than the prime minister. Kwikwetlem First Nation Chief Ron Giesbrecht received \$930,793 in 2013-14.”

Let Canadians decide on ELECTORAL REFORM



by Aaron
Wudrick
Federal Director

Even before Justin Trudeau was sworn in as prime minister in November, political watchers were hard at work dissecting the Liberal platform and the 171 promises it contained. Among them: a pledge that the 2015 election would be “the last federal election held under the first-past-the-post voting system.”

Less than two months into his new government’s term, electoral reform is already a major point of controversy, and not just because of strong opinions about different electoral systems. Instead, the electoral reform debate has become almost entirely fixated on one thing: whether any reform proposal can be legitimately implemented with-

out a nationwide referendum to seek the approval of Canadians.

So far, this debate has largely polarized into two camps: those who prefer the status quo and want a referendum on the presumption that any change can be defeated (which is generally seen to be the Conservative Party position); and those who prefer some alternative system and fear a referendum would scuttle any chance for change (which seems to include many “progressives,” many Liberals, and some in the NDP). Both sides are mostly interested in getting the outcome they want and are merely using the question of a referendum as camouflage for predictable self-interest.

Yet a more principled view on electoral reform should separate the preference for a desired outcome from a respect for the proper pro-

cess, in the same way that voters all have a vested interest in free and fair elections, even if most have a preference about which party wins. The Canadian Taxpayers Federation (CTF), for example, endorsed the single transferable vote proposal in the 2005 and 2009 British Columbia referenda. But we would never have endorsed such a change without a referendum, which reflects our belief that such a fundamental change requires the direct approval of the voting public.

Historical precedent weighs heavily in favour of a referendum, as no government in modern Canadian history has attempted to implement electoral reform without one — and reforms in Prince Edward Island (2005), British Columbia (2005 and 2009) and Ontario (2007) were all defeated. But not all electoral reform referenda pan out

this way. In New Zealand, for example, a 1992 referendum on electoral reform not only won, but won big, with the pro-reform side winning 84% of the vote. Accordingly, reform advocates should not view a referendum as a death sentence for their cause, but as an opportunity to win new converts to the pro-reform side.

There is also the matter of the complete vagueness of the Liberal promise. Even if we were to accept the argument that a vote for a political party is a clear endorsement of every single one of its policies, the 2015 Liberal promise on electoral reform is, to be charitable, very un-specific.

Electoral reform champions have seized on the list of possibilities (“review a wide variety of reforms, such as ranked ballots, proportional representation, mandatory voting and online voting”) — and simply asserted that a vote for the Liberals (and any other party that mentioned anything remotely similar) can automatically be translated as pre-emptive approval of whatever concrete proposal ultimately emerges. It is hard to envision any other policy area in which such an argument would stand up (“we’ll change the status quo on taxes;” “we will bring some form of change to health care,”) never mind something as central to our democracy as how we count votes.

Indeed, pro-reformers who refuse to endorse the need for a referendum are left to confront a few awkward questions, such as: how is

it that 39% of the vote (for the Liberal party) in a supposedly unfair system can equal a clear mandate for such a fundamental change? Is arbitrarily tallying up the party votes on a policy-by-policy basis really a defensible way to measure support? How can one claim to want to make “every vote count,” while opposing the use of a mechanism that does exactly that? And why spend precious time and energy fighting the idea of a referendum, instead of preparing to win one by promoting the merits of reform?

The Trudeau government has signalled that it does not “intend” to hold a referendum. Yet the prime minister, as well as key ministers including House leader Dominic LeBlanc, and Democratic Institutions Minister Maryam Monsef, have stopped short of explicitly saying they will not hold one. This may be an indication that they are taking a “wait and see” approach to determine whether or not they can push through reform without one.

Concerns are increasingly being voiced from across the political spectrum, which reflects that it’s not a matter of partisan preferences, but of proper process and democratic legitimacy. Accordingly, the CTF has launched a petition calling for a national ref-

erendum to approve any proposed change to our federal electoral system. By making our voices heard, Canadians can send a clear signal to the Trudeau government, letting them know that a referendum must be part of the process of electoral reform.

It is fair to say that winning the last election gave the Trudeau government a mandate to explore electoral reform. But this should not be confused with a mandate to impose whatever it may draw up without asking Canadians first. Changing our electoral system would impact the very core of our democracy, and is simply too important to be treated as a partisan political football. Principled reformers should therefore concede the obvious and help make calls for a referendum on electoral reform unanimous. **t**

“Historical precedent weighs heavily in favour of a referendum, as no government in modern Canadian history has attempted to implement electoral reform without one.”



Paris climate conference: Expensive



by Lorne
Gunter
Columnist

At the end of 2015, a lot was made of the United Nations' climate summit in Paris.

Were all of the emission reductions pledged by participating countries to be implemented, they would overturn the way of life of every resident of industrialized countries, including Canada.

The good news is the Paris accords will almost certainly never be implemented. Politicians in western nations are unlikely to risk outraging their voters by doing the things they would have to do to reduce their countries' greenhouse gas emissions by 20%, 50% or more.

For instance, it's tough to pin down Canada's new Liberal government on just how much it intends to cut carbon dioxide emissions. But let's use the 50% number Prime Minister Justin Trudeau seems to favour. To reduce Canada's carbon dioxide emissions by that amount would require the equivalent of shutting down the country's entire transportation sector – parking every private car, every 18-wheeler, delivery van, public bus, train and plane.

No politician is ever going to do that.

So while Trudeau and nearly 190 other national leaders made high-sounding promises in Paris about radically reducing their countries' greenhouse gases, most of them will never even attempt to translate those fine words into real-world action.

A word before we go on: I don't believe carbon dioxide, methane and other GHGs (greenhouse gases) are causing global warming or other dangerous climate change.

Despite all the alarmist rhetoric from politicians, environmentalists and reporters, the earth has not warmed appreciably in more than 18 years. Eco-activists and

“green” scientists love to claim that the last decade or the past year has been the hottest on record. Some had already predicted 2016 would be the hottest before the calendar had even turned over from 2015.

But these alarmist claims are based mostly on readings from land-based weather stations (and a few over oceans). These thermometers are less reliable than satellite-based readings that are taken over the entire face of the planet many hundreds of thousands of times a day. And the satellites have not shown any appreciable warming in nearly two decades.

The public seldom hears about the satellites, though, because they don't reinforce the alarmists' insistence the sky is falling.

And they don't hear that the Arctic icecap has been growing for the past two years. Or that the Antarctic icecap (which is 15 times larger than that of the Arctic) has been growing enormously over the past 40 years. Or how since 2005, the year that Hurricane Katrina devastated New Orleans, only one Category 3 or stronger hurricane has made land-fall in the US.

“Climate change” has become a catch-all. Anytime a natural disaster strikes, the global warming alarmists gather around like ghoulish witnesses at a traffic accident. Whenever the climate news is not bad, they

“‘Climate change’ has become a catch-all. Anytime a natural disaster strikes, the global warming alarmists gather around like ghoulish witnesses at a traffic accident.”

hot air

are nowhere to be found.

But back to Paris.

Rather than worrying about what the 15,000 delegates and 25,000 hangers-on came up with over two weeks of meetings in the French capital, Canadian taxpayers should be worried about two other conferences just before the UN climate talks – one in Livingstone, Zambia, in early November and the other in Valetta, Malta, the week before the Paris festival.

The meeting in Zambia, in sight of the magnificent Victoria Falls, was the most recent by the UN-appointed 24-member board of the Green Climate Fund (GCF).

The GCF has been in existence for just over five years. Like a lot of UN agencies, it is very good at meeting in exotic locations, booking every five-star room in the joint and consuming wheelbarrows of the finest gourmet food while accomplishing very little of concrete value.

Since 2010 the developed world's governments have pumped nearly \$10 billion into the GCF. And now the fund's directors are ready to start spending that cash on politically correct and environmentally fashionable projects in the developing world. Included will likely be fanciful schemes to prevent coastal flooding in Bangladesh, for when that country is hit by the mega-typhoons UN climate scientists keep claiming will occur, and plans to move homes and businesses on the Maldives to

higher ground, before the seas rise according to predictions by enviro-activists such as Al Gore and David Suzuki.

It is expected that the GCF will become the richest, most powerful multilateral organization in the world. And already the wolves are beginning to circle, looking to feast on this enormous beast.

As with most UN efforts, good intentions will be more important than substantial action. Shady operators with haughty rhetoric will redirect billions into their own pockets. Already, the watchdog group Transparency International has warned that the money trail in many of the GCF's first few projects is "murky" at best.

Now switch to the Commonwealth leaders' summit in Malta. It was there that our own new PM announced that Canada would be upping its contribution to the GCF from \$1.5 billion over five years to nearly \$1 billion a year. Altogether in Valetta and Paris industrialized countries pledged \$100 billion each and every year by 2020.

The GCF can't properly manage the \$10 billion it has built up over the last five years. Imagine the horrendous corruption when it is responsible for ten times that much annually.

The environmental pledges the world's governments made in Paris are useless. They won't solve a thing. So expect "green" politicians to do what politicians do best – tax and spend to make it look as if they are caring, committed and acting, even as they do nothing.

The real danger of Paris is not that the UN will really, truly pressure world governments to solve the non-existent climate crisis, even at the expense of jobs and lifestyles. The real danger is that rather than try something so politically risky, politicians and bureaucrats will increase the tax burden on ordinary Canadians (and Americans, Brits, Aussies and others) to pay for eco-megaprojects around the world that will achieve little of real worth. **t**

Lorne Gunter is a columnist with *Sun Media* and a recipient of the CTF's TaxFighter Award.

Tax changes for 2016: most Canadians



by Jeff
Bowes
Research Director

When Canadians celebrated New Year's Eve, they may not have realized most of them would pay lower taxes in the year ahead.

The Canadian Taxpayers Federation crunched the numbers for 34 hypothetical Canadian households and compared the taxes they owed for 2015 with what they will owe in 2016.

The biggest changes come from the federal government, where the centrepiece of its tax plan for 2016 is changes to income tax rates and to the federal child benefit system.

The Trudeau government introduced two big changes to income taxes for 2016. A middle-income tax cut means many Canadians will get to keep more of their hard-earned money. It drops the tax on income between \$45,282 and \$90,563 from 22% to 20.5%, for a tax cut of

up to \$679. However, tax on income over \$200,000 rises from 29% to 33%.

The Universal Child Care Benefit (UCCB) will be replaced by the means-tested Canada Child Benefit (CCB) in July. The CCB will give families up to \$6,400 per year for each child under six and \$5,400 for each child between six and 17. The UCCB paid considerably less: \$1,920 for each child under six and \$720 for each child age six to 17.

However, those numbers don't properly explain the change for most Canadian families.

As well as the means-test CCB replacing the universal-eligibility UCCB, the Canada Child Tax Benefit (CCTB) is being cancelled. It was a means-tested benefit that helped lower-income families by as much as \$3,749 per child.

The Family Tax Cut (FTC), also known as income splitting for families, is gone in 2016. It let couples with children under 18 split their income, resulting in a tax credit of up to \$2,000.

Another federal tax hike is the rollback of Tax-Free Savings Account (TFSA) annual contribution limits, from \$10,000 in 2015 back to \$5,500 in 2016. That change reduces future savings for millions of Canadians trying to save for their retirement.

Canada Child Benefit

Cases	2015	2016	2017
Single Earner Two Kids - \$30,000	\$8,414	\$10,170	\$11,800
Single Earner Two Kids - \$60,000	\$4,411	\$6,196	\$7,900
Single Earner Two Kids - \$80,000	\$3,604	\$5,056	\$6,425
Single Earner Two Kids - \$100,000	\$2,790	\$4,103	\$5,325
Single Earner Two Kids - \$150,000	\$2,100	\$2,363	\$2,575
Single Earner Two Kids - \$200,000	\$2,100	\$1,075	\$0
Single Earner Two Kids - \$250,000	\$2,100	\$1,075	\$0
Single Earner Two Kids - \$300,000	\$2,100	\$1,075	\$0
Dual Earners Two Kids- Equal - \$60,000	\$4,404	\$6,169	\$7,900
Dual Earners Two Kids- Equal - \$80,000	\$3,421	\$4,959	\$6,425
Dual Earners Two Kids- Equal - \$100,000	\$2,505	\$3,954	\$5,325
Dual Earners Two Kids- Equal - \$150,000	\$1,774	\$2,195	\$2,575
Dual Earners Two Kids- Equal - \$200,000	\$1,588	\$794	\$0
Dual Earners Two Kids- Equal - \$250,000	\$1,574	\$784	\$0
Dual Earners Two Kids- Equal - \$300,000	\$1,462	\$729	\$0
Dual Earners Two Kids- 75/25 - \$30,000	\$8,414	\$10,156	\$11,800
Dual Earners Two Kids- 75/25 - \$60,000	\$4,338	\$6,146	\$7,900
Dual Earners Two Kids- 75/25 - \$80,000	\$3,551	\$5,007	\$6,425
Dual Earners Two Kids- 75/25 - \$100,000	\$2,576	\$4,060	\$5,325
Dual Earners Two Kids- 75/25 - \$150,000	\$1,874	\$2,314	\$2,575
Dual Earners Two Kids- 75/25 - \$200,000	\$1,715	\$927	\$0
Dual Earners Two Kids- 75/25 - \$250,000	\$1,812	\$926	\$0
Dual Earners Two Kids- 75/25 - \$300,000	\$1,747	\$908	\$0

s will pay less

Unfortunately, there is another tax increase still affecting many Canadian taxpayers. This hidden annual tax increase is called bracket creep. Governments need to adjust their tax brackets for inflation, ensuring that salary increases that match the inflation rate don't push earners into a higher income tax bracket. However not all provinces are doing this. Bracket creep continues to punish all taxpayers in Manitoba, PEI and Nova Scotia, as well as high-income earners in Ontario and New Brunswick.

All these tax and benefit changes make it hard to know whether your family will be better or worse off in 2016. However, our New Year's Tax Changes report calculates the impact of tax changes for 34 hypothetical Canadian households. You can find the entire report on our website, Taxpayer.com. Some examples include:

- \$1,597 in savings for a two-child, single-income family in Ontario earning \$30,000 per year.
- \$1,414 in savings for a two-child, two-income family in Saskatchewan earning \$80,000 per year.
- \$164 in savings for a two-child, one-income family in Quebec earning \$100,000 per year.
- \$7,643 in higher taxes for a two-child, one-income family in Alberta earning \$250,000 per year.

"The range varies widely, from a few

“Tax on income between \$45,282 and \$90,563 drops from 22% to 20.5%, for a tax cut of up to \$679.”

hundred to about \$2,000 in savings, but it's clear that most Canadian families will have more money in their pockets as a result of these tax changes," said CTF Federal Director Aaron Wudrick. "Dual-income households with children, where each spouse earns a relatively equal amount, will benefit most." **T**

Average 2015 to 2016 Tax Change Including Federal Child Benefits

Single Earner - \$15,000	\$4
Single Earner - \$30,000	\$41
Single Earner - \$60,000	-\$181
Single Earner - \$80,000	-\$472
Single Earner - \$100,000	-\$611
Single Earner - \$150,000	-\$544
Single Earner - \$200,000	-\$386
Single Earner - \$250,000	\$1,571
Single Earner - \$300,000	\$3,571
Single Earner Two Kids - \$30,000	-\$1,679
Single Earner Two Kids - \$60,000	-\$888
Single Earner Two Kids - \$80,000	\$48
Single Earner Two Kids - \$100,000	\$40
Single Earner Two Kids - \$150,000	\$1,147
Single Earner Two Kids - \$200,000	\$2,593
Single Earner Two Kids - \$250,000	\$4,550
Single Earner Two Kids - \$300,000	\$6,550
Dual Earners Two Kids- Equal - \$60,000	-\$1,718
Dual Earners Two Kids- Equal - \$80,000	-\$1,493
Dual Earners Two Kids- Equal - \$100,000	-\$1,572
Dual Earners Two Kids- Equal - \$150,000	-\$1,219
Dual Earners Two Kids- Equal - \$200,000	-\$440
Dual Earners Two Kids- Equal - \$250,000	-\$440
Dual Earners Two Kids- Equal - \$300,000	-\$368
Dual Earners Two Kids- 75/25 - \$30,000	-\$1,441
Dual Earners Two Kids- 75/25 - \$60,000	-\$1,745
Dual Earners Two Kids- 75/25 - \$80,000	-\$588
Dual Earners Two Kids- 75/25 - \$100,000	-\$524
Dual Earners Two Kids- 75/25 - \$150,000	\$351
Dual Earners Two Kids- 75/25 - \$200,000	\$2,042
Dual Earners Two Kids- 75/25 - \$250,000	\$2,069
Dual Earners Two Kids- 75/25 - \$300,000	\$2,958
Dual Earners No Kids-Equal - \$80,000	\$16
Dual Earners No Kids-75/25 - \$80,000	-\$165

2015

New Bruns

ADAM BOWIE
LEGISLATURE BUREAU

With another long weekend local and New Brunswickers organizing trips to visit family and friends, aren't aware that gasoline taxes province have jumped by 45 per cent since 2011.

It's a staggering figure uncovered in a new report from the Canadian Taxpayers Federation, which says it's the wage war on the high taxes on gas.

However, Finance Minister Melanson says the province's financial situation must be remedied as quickly as possible. And, because line prices have dropped in New Brunswick and across the globe, he says it feels like this is a prudent way to cut tax revenues that fund needed public services.

According to a report from the federation, of the

THURSDAY, JULY 9, 2015

Tax vote

Here we are, a week after the Metro Vancouver voters learned that they had rejected the proposed TransLink sales tax and the dust still hasn't settled. It can barely turn on a radio or read a newspaper without some bitter



BC Director Jordan Bateman and the NO team celebrating TransLink victory

Gas Tax Honesty Day

2015: 25 years and growing stronger yet

by Scott
Hennig
VP Communications

er taxes, less waste and accounta-

Each year Canadian Taxpayers Federation (CTF) communication staff, administration staff, board and field representatives take on the mission of low-

er taxes, less waste and accounta- ble government. Each group fulfils a different role, but the goal is the same – make Canada a better place for all Canadian taxpayers.

As we marked our 25th anniversary in 2015, it was a year of transition for the organization. At the board level we saw our longtime chairman move on. At the communications level, we welcomed three

new faces and expanded our Generation Screwed and internship program. In all cases the transitions were smooth and the organization continues to grow larger and more influential each year. The past year also saw the CTF earn one of the most significant victories of our past quarter-century, for our 89,000 supporters and indeed all Canadians.

No TransLink Tax victory

The 62% to 38% victory for the NO side in last spring's referendum in British Columbia goes down as one of the most significant victories in the CTF's history.

When the CTF launched our NO side campaign in early 2015 we expected our side of the table to be crowded. BC Director Jordan Bateman had been the most vocal critic of TransLink – the Lower Mainland transportation authority – but we thought others would come out to fight the proposed 0.5-percentage-

point sales tax hike.

In the end it truly was a David versus Goliath story – the CTF, a few rogue mayors and a couple of others (Fraser Institute and CFIB) versus a giant transportation company, virtually every Vancouver-area mayor and 150 other deep-pocketed players (unions, chambers of commerce and environmental groups).

The YES side spent nearly \$7 million (mostly taxpayer dollars) to blanket the region with newspaper, TV, radio, transit and other ad-

vertisements. The CTF's No TransLink Tax campaign raised less than \$40,000. Campaign manager Hamish Marshall spent it on Facebook ads, lawn signs, a plane flying a banner over the Vancouver marathon and an incredibly slick website.

What made the victory even more significant was that when the campaign kicked off in December 2014, the YES side had a commanding lead in the polls. According to polling company Insights

Brunswickers feeling burned by high gas taxes, says advocate

course of a year, said Lacey, a two-car household should expect to pay \$176.64 more than it did four years ago.

"To make matters worse, you're probably not even realizing it, he said.

"The temporary decline in oil prices is helping to hide these big tax increases," he said.

"And, as a result, the government isn't paying the political price for charging drivers a heck of a lot more when they go to the pumps."

Compounding the financial pressure on your wallet, he said, is the fact that New Brunswick has increased many other taxes and fees.

On Thursday, the provincial government introduced amendments to the New Brunswick Income Tax Act, which will see a new personal income tax rate of 21 per cent imposed on taxable in-



That being said, Melanson knows the increase to this tax isn't easy for citizens to swallow.

"It is difficult every time you ask New Brunswickers to pay a little bit more or to receive a little bit less," he said.

"But we are facing a fiscal challenge, a budgetary challenge, that we have to fix, and get the result which New Brunswickers are expecting, which is to balance the budget at a minimum."

It isn't just the provincial government with its hand in your pocket when it comes to gasoline taxes.

Lacey is also calling on the federal government to do what it can to lessen the pain taxpayers feel every time they gas up by scrapping its 1.5 cents per litre federal "deficit elimination" gas tax.

"This tax was put in place to help deal with the deficit at the federal level," he said.

The Province

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EDITORIAL

THEPROVINCE.COM | 17

It was a rejection of elitist busybodies



and citizens were extremely engaged in the debate about what to do about transportation in the region. And with 62 per cent of voters rejecting the proposed tax, the plebiscite delivered a clear message to politicians about how much taxpayers are willing to spend on transportation.

No vote. A large number of voters simply resented being told how to live their lives, especially from the exclusive "let them eat cake" club of supercilious politicians, developers and business people, university and union fat cats and sneering eco-activists in the Yes camp.

As much as Vancouver Mayor Gregor Robertson or others might think that the peasants should spend up to four hours a day commuting by transit as part of their dubious green schemes, as opposed to driving in comfort in half the time, the answer of most people was, "No, thanks!" And who can blame them, espe-

Director Kevin Lacey receives news coverage in Atlantic Canada and Ontario Director Christine Van Geyn at Toronto news conference



West, Vancouver-area residents were going to vote YES by a 57% to 43% margin. But thanks to an excellent NO campaign and some stumbles by the YES side, that lead fell to 52% to 48% by January. The NO side took the lead in February, 58% to 42%.

When all the ballots were mailed in and counted, the final tally had the NO side winning 62% to 38% — a crushing come-from-behind victory for the CTF.

Remarkably, not even residents right in Vancouver proper voted for

the tax, with the NO side winning 51% to 49%.

Kudos to CTF BC Director Jordan Bateman and campaign manager Hamish Marshall for earning Lower Mainland taxpayers and your CTF this historic victory.

17 years of Gas Tax Honesty

On the Thursday before the May long weekend — the unofficial start of the summer driving season — we hold our annual Gas Tax Honesty Day. This year CTF directors fanned out across the country to hold press conferences at gas stations in Victoria, Calgary, Regina, Toronto, Ottawa and Saint John.

Our research director, Jeff Bowes, calculated that as of May 2015, 34% of the price at the pump was taxes. This means that if you filled a 64-litre tank at \$1.09 per litre, you'd pay \$68.59 — \$23.46 of that would go to

the government.

Jeff also confirmed that the jurisdictions with the highest taxes pay the most at the pump, as highest-taxed Vancouver (39% taxes) had the top pump price in the nation. Meanwhile, Alberta with the lowest gas taxes (still 29%) was tied with Manitoba with the lowest pump prices.

While Alberta still has the lowest taxes, it is moving in the wrong direction. The short-lived

Highest gas taxes in the country are found in Vancouver.

Prentice government hiked the provincial gas tax by four cents per litre (from nine to 13 cents) in last March's budget. New Brunswick also hiked its excise tax from 13.6 to 15.5 cents per litre.

Threats to hike the gas tax in Victoria continue, thanks to a request from the Greater Victoria Transit Commission's request of an additional two-cent gas tax.

The CTF launched a petition opposing this tax grab.

New staff

Three new provincial/regional communications directors took over in 2015.

Candice Malcolm resigned as Ontario director in early 2015 to spend more time with her husband

in California's Silicon Valley. Candice now splits her time between the US and Canada working as a fellow with the Center for a Secure Free Society and the Canadian Global Affairs Institute. Replacing

her as Ontario director was Christine Van Geyn, a lawyer who practised commercial litigation and corporate law in Toronto. Christine was an intern in the CTF's Ottawa office back in 2007.

2015



Todd MacKay



Christine Van Geyn



Paige MacPherson



Teddy Awards: Former Federal

Colin Craig left after seven years as the CTF's prairie director in early 2015 as well, moving to Calgary, where he now works for the Manning Centre as director of strategic communications. Colin will always be remembered for being the reason the *First Nations Financial Transparency Act* was passed. Colin was replaced in our Regina office by Todd MacKay, a former journalist, communications director to a federal minister, chief of staff to a provincial cabi-

net minister and most recently part-owner of a concrete company. We were very pleased to be able to convince Todd to come back into the world of politics as our new prairie director.

Former Alberta director Derek Fildebrandt left the CTF in the fall of 2014. Derek started with the CTF in 2009 as our national research director in Ottawa, moving to Alberta in 2012. Derek left to pursue opportunities in the oil and gas sector but ended

up running in the 2015 Alberta election and is now MLA for Strathmore-Brooks and finance critic for the Wildrose opposition. Paige MacPherson assumed the role of Alberta director in mid-2015. Paige formerly worked in communications for the Atlantic Institute for Market Studies in Halifax before joining Sun News Network in Toronto, where she worked her way up from being a web producer to eventually hosting her own weekend show.

17th annual Teddy Awards

The Teddy Waste Awards are the CTF's best-known annual event. Each year during awards season, the CTF's federal director and mascot – Porky the Waste Hater – don their best tuxedos and make their way to the National Press Gallery in Ottawa to announce the year's winners.

CTF staff often struggle to come up with the winners — sadly, not because there are too few, but because there are always so many contenders. But after winnowing down the list, these were the winners:

Federal: Former MP, cabinet minister and mayor of London, ON, Joe Fontana took home the golden sow for his conviction of breach of trust,

fraud and uttering forged documents. Fontana altered the contract for his son's wedding reception at the Marconi Club in London and submitted it to the House of Commons for a \$1,700 reimbursement, claiming it was actually for a function with the finance minister. Fontana was sentenced to four months' house arrest, 18 months' probation and 150 hours of community service. Despite intentionally forging documents

to defraud taxpayers, Fontana retains his annual \$122,000 MP pension courtesy of taxpayers.

Former MP Joe Fontana took home the golden sow for his conviction of breach of trust, fraud and uttering forged documents.

Provincial: The Ontario Ministry of Energy won after the auditor general revealed that taxpayers had paid out \$1.9 billion to install 4.8 million "smart" power meters that were fraught with problems. One in six of the meters didn't transmit data to the provincial data centre, dozens of them were

POLITICAL WASTE-LAND

Disgraced ex-mayor leads Teddy winners

OTTAWA — Former cabinet minister Joe Fontana has made it to the top of the Canadian Taxpayers Federation's annual awards list for government waste. The 17th Annual Teddy Government Waste awards, handed out Wednesday, cited Fontana's convictions for defrauding taxpayers and still collecting his government pension.



Aaron Wudrick and his assistant hand out the 17th Annual Teddy Government Waste awards in Ottawa yesterday.

ral MP Joe Fontana won the federal golden sow

Federal Director Aaron Wudrick panhandling for Bombardier



linked to fires and thousands had to be removed. And perhaps worst of all, power use hasn't dropped (the intended goal). The auditor general noted that the projected net benefit of \$600 million over 15 years was overstated by at least \$512 million.

Municipal: Halifax Regional Municipality Coun. Brad Johns took home the hardware after he used his taxpayer-funded discretionary account to purchase a \$25,000 talking Christmas tree. Johns has further expressed interest in purchasing other robotic Christmas characters with the goal of creating "their own Disneyland of sorts" in Lower Sackville.

Lifetime Achievement: The Lower Mainland transit authority, TransLink, finally won the lifetime achievement award after years of winning the municipal Teddy. The list of TransLink waste is too long to

reprint here, but recent expenditures include \$1.12 million per year to lease a building it doesn't use (and used to own), \$30,000 for a seven-foot statue of a poodle on top of a 25-foot pole, \$523,000 on 13 TV screens at SkyTrain stations (most of which don't work) and a fare gate program that is years late and twice its original \$100-million budget.

Other notable nominees that came up short of winning a Teddy included the federal department of public works that was ordered by the courts to destroy a bulldozer used by protestors to attack a local police station on the Kanesatake reserve in Quebec. Instead of destroying it, public works sold it for \$5,555. The original owners sued the government to get it back. Despite that lawsuit failing, public works spent \$65,000 to repurchase the bulldozer ... and then destroy it.

Stephanie Forsyth, former president of Red River College in Winnipeg, was nominated for a Teddy after the CTF obtained emails showing that leftover marble from a college building magically ended up installed in the kitchen of her home. Forsyth claimed the marble was "marked for disposal," however college officials could find no evidence of this. The matter was referred to the police.

The City of Ottawa installed light standards in the shape of giant badminton rackets in Jack Purcell Park to honour the 1933 world badminton champion. Unfortunately, that Jack Purcell was from Guelph; the park was actually named after an Ottawa Jack Purcell well known in the 1950s for fixing broken hockey sticks to give to local children. The badminton-racket lights cost \$45,000.

Bombardier bailout

The Quebec government came to the aid of struggling Bombardier Inc. with a \$1-million (US) taxpayer-funded bailout. The aerospace giant then quickly went cap in hand to Ottawa, asking the new Trudeau government to match it.

The CTF has opposed corporate

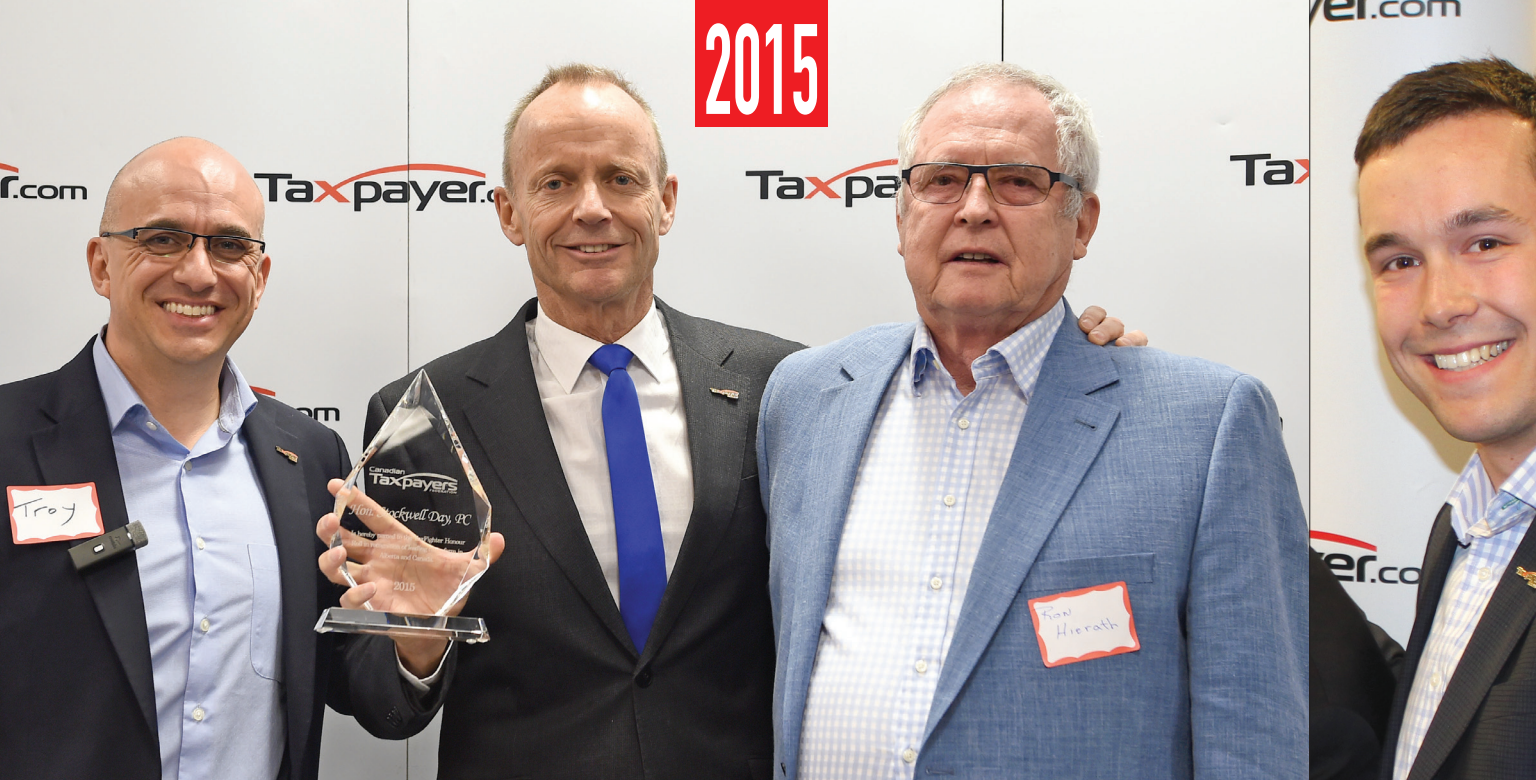
welfare throughout our entire 25-year existence ... and it seems we have been opposing corporate welfare for Bombardier for that entire time.

The day after Trudeau's cabinet was announced, the CTF issued a press release calling on newly appointed Innovation, Science and Eco-

nomic Development Minister Navdeep Bains to reject Bombardier's cash call. We also emailed our supporters, urging them to contact Bains as well.

A week later the CTF launched a pull-no-punches, 30-second radio ad asking Canadians to tell their MPs to

2015



TaxFighter Award: Troy Lanigan, Stockwell Day and Ron Hierath

John Whittaker

reject the Bombardier bailout.

But we saved our most impactful stunt for just before Christmas. CTF Federal Director Aaron Wudrick donned a white beard, Santa suit and collection bucket and took to the streets in Toronto and Ottawa panhandling for the “needy” corporation. The goal was to show that Canadians have little interest in giving their hard-earned money

to bail out Bombardier and therefore their government shouldn’t do it for them. In total the CTF collected \$7.15, only \$1,299,999,992.85

CTF did some panhandling for Bombardier and was only able to collect \$7.15.

short of the company’s requested CDN\$1.3 billion. Video of our “panhandling for Bombardier” is on our YouTube page.

While the Trudeau government has yet to reject Bombardier’s request, the CTF’s constant barrage has certainly caused the government to delay the decision. Hopefully this campaign will lead to a victory in 2016.

TaxFighter Award

The Canadian Taxpayers Federation honoured Stockwell Day this fall with our prestigious TaxFighter Award for his contribution to the province of Alberta by introducing the single-rate income tax.

The event in Calgary featured a packed room of familiar faces and new friends to thank Day for securing the “Alberta Advantage” and treating all income-taxpayers fairly.

It was 1998 when the Alberta government launched the tax review commission, initiated by Day. Ron Hierath, an MLA at the time and a member of the tax review commission, attended our tribute event at which Day commended Hierath’s

impressive work on the issue. Both men deserve recognition for having the courage to pursue a new policy – because it was a good idea then and still is today, but also because they pursued the idea after extensive consultation with the public.

Also attending was Mark Milke, former CTF Alberta director, who made a submission to the tax review commission suggesting the single-rate income tax. Milke’s hard work and resulting success on the issue show the very real impact that advocacy groups like the CTF can have.

Day spoke at the event of the importance of engaging the public and

the resulting popularity of the single-rate tax in the province. Albertans at the time were pleased with the idea of a fair and equal tax rate. Day also described the fortitude it took to get the tax implemented.

“We knew we were going to be in for a withering storm from many in the academic community and the progressives,” Day told the audience.

Though the province has now regrettably laid the single rate income tax to rest, the CTF was proud to recognize Stockwell Day as the architect of this bold reform and celebrate the undeniable success of the single-rate tax for more than 15 years.



Renaud Brossard

Natalie Martin

Justin Hatherly

Student internship program

The CTF employed five interns during 2015. We also formally expanded our internship program in the spring of 2015 to ensure we will have a full-time intern working in our Ottawa office year-round.

John Whittaker actually joined the team in the fall of 2014, but we hired him for an eight-month term, ending in the spring of 2015. A recent graduate of Queen's University, John worked on various research projects, but his primary focus was researching and fact-checking the CTF's 25th anniversary book project. John now works at the Manning Centre in Calgary.

Samuel Kitchen interned for us in Ottawa in early 2015. Sam was placed with the CTF by the Mankal Economic Education Foundation in Australia. The CTF will be once again hosting an Australian intern in the

winter of 2016.

Renaud Brossard and Justin Hatherly joined the CTF in Ottawa for the summer. Renaud had just finished his second year at the Université du Québec in Montreal and is our regional coordinator for the Generation Screwed program. Justin, also from Montreal, just finished his second year at McGill. Renaud spent his summer working on MP pension calculations, beer taxes and historical debt research. Renaud also organized the first Generation Screwed Action forum, this one in Montreal. Justin researched aboriginal band council pay and tracked government spending announcements. Justin also penned an op-ed on behalf of the CTF that ran on an online news site discussing

Interns have organized forums, researched MP pensions, beer taxes and aboriginal band council pay and even penned op-eds.

the merits of flat taxes.

Our inaugural fall intern was Natalie Martin. Natalie is a fourth-year student at Memorial University in Newfoundland. Natalie researched aboriginal council pay and helped organize an event co-hosted with the Institute for Liberal Studies (where she interned last summer) looking at the Heritage Foundation's Index of Economic Freedom.

Two interns have already been confirmed for our Ottawa office this winter.

Generation Screwed

The CTF's youth initiative completed its second full year in the summer of 2015 and it continues to grow more rapidly than expected. As of the end of 2015 we have

a Generation Screwed presence on 27 post-secondary campuses across Canada.

Last year also marked the first two Generation Screwed Action Fo-

rum. Spearheaded by CTF intern and Génération Trompée regional coordinator Renaud Brossard and his team, the inaugural forum was held in Montreal in May. Attended

Wudrick: 'This is a golden opportunity for senators to show they're serious.'

Do the crime, lose your p

AARON WUDRICK

These are tough times for Canada's Senate. The so-called members of the Chamber of "sober second thought" may soon be driven to drink — hopefully not on the taxpayers' dime. There is a seemingly eternal parade of bad news: from Mac Harb to Patrick Brazeau and Pamela Wallin, to the

is a golden opportunity for senators to show they're serious about imposing real consequences for criminal behaviour. There is currently a private members bill before the Senate — Bill C-518 — which, if passed, would result in a senator or member of Parliament losing their pension if convicted of one of 19 serious Criminal Code offences, including theft, fraud and breach of trust.

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FR TH FIGHT BATTLES

PROMISES BALANCED BUDGET



INSTEAD, DIGS US DEEPER INTO DEBT

GENER SCREI

Generation Screwed: Montreal Action Forum

by more than 100 people, speakers talked about the importance of balanced budgets, fiscal responsibility at the municipal level, and myths around austerity. Speakers included the former president of the Canadian Federation of Independent Business, Catherine Swift, Montreal Economic Institute's Yuri Chassin, CTF President Troy Lanigan, and leader of the student counter-protests Alexandre Meterissian.

The second Action Forum was held in Calgary in November, and was a joint effort of Generation Screwed coordinators from the University of Calgary (Caitlyn Madlener) and Mount Royal University (An-

drew Yule). With 150 registrations, the event was completely sold out. Speakers included The Rebel's Ezra Levant, radio host Rob Breakenridge, former federal cabinet minister Monte Solberg and Edmonton Coun. Mike Nickel.

In addition to the two signature events, 15 smaller events were held across the country with speakers ranging from CTF directors to economists like Vincent Geloso and business people like Richard Alexander, executive director of the Newfoundland and Labrador Employers' Council.

Two student contests were held. The first prize of \$650 in the sec-

ond annual essay contest went to Leo Plumer for his essay entitled "A Spending Problem in Newfoundland." And our first ever "meme" contest was won by Devin Scully, who received \$200 for his Kathleen Wynne/debt-themed meme.

At the end of August, Generation Screwed partnered with the Manning Centre to host our third annual training conference in Calgary. Forty students from across Canada gathered for a three-day training session that taught them skills like event planning, writing letters to the editor, working with the media and public speaking.

Stripping criminal politicians of their pensions

A former CTF federal director, New Brunswick Southwest MP John Williamson introduced Bill C-518 in June 2013. *The Protecting Taxpayers and Revoking Pensions of Convicted Politicians Act* would have stripped the taxpayer-funded portion of an MP's or senator's pension if they were convicted of a serious crime while an elected official.

The bill followed a 2013 law passed in Nova Scotia, inspired by

an all-party scandal and the recommendation of CTF Atlantic Director Kevin Lacey. At the beginning of 2015, Williamson's bill had passed committee stage in the House of Commons and while it had been watered down, still would have revoked the pensions of convicted politicians like Joe Fontana and Raymond Lavigne.

CTF launched radio ads supporting a bill stripping convicted MPs and senators of their pensions.

In January, the CTF launched a series of radio ads in support of the bill. The ads featured two convicts chatting about what they were going to do for money once they got out,



2015



CTF President Troy Lanigan autographing *Fighting for Taxpayers* at book launch in Victoria

with one of the convicts proudly informing the other that as a former senator he was collecting an \$80,000 annual pension.

On Feb. 4, the bill passed third reading in the House by a vote of 258 to 13. The bill still needed to get through the Senate before it became law.

The bill passed second reading

in the Senate on May 26 and was referred to committee. The CTF's Aaron Wudrick appeared at the committee on June 16, urging senators not to amend the law (thereby forcing it back to the House). Unfortunately, senators overruled the elected MPs and amended the bill on June 25. As the House had already risen for the summer June 19 and would not re-

turn until after the election, the bill was dead.

Despite our efforts to get each party to commit to reintroduce the bill after the election, none would go on the record. Williamson lost his seat in the October election and the CTF is working to find a different MP to reintroduce the legislation.

25th anniversary book and tour

Last year marked the CTF's 25th anniversary. To mark the occasion and to preserve some of the history of this organization, President Troy Lanigan sat down to author a new book: *Fighting for Taxpayers: Battles Fought & Battles Ahead*.

The book features stories from our origins, when the Association of Saskatchewan Taxpayers merged with the Resolution One commit-

tee in Alberta, through the "axe the tax" rallies of the early '90s to the balanced-budget victories of the late '90s. The book also delves into the tax cuts of the early 2000s, the fall back into deficit at the end of the decade, the MP pension victory, the return of the debt clock and the founding of Generation Screwed. Lanigan finishes his book off with a look ahead: five battles taxpayers

will have to wage over the next 25 years.

In conjunction with the book's release, the CTF organized 10 book launch/25th anniversary celebrations from Victoria to St. John's. Hundreds of supporters filled halls, restaurants and banquet rooms across the country to revisit our 25-year history and to look ahead to our next challenges.

New board chairman

In May, CTF board chairman Michael Binnion resigned after 14 years on the board, eight as chair. During Michael's time as chairman the CTF expanded into Atlantic Canada and saw an increase in donations and an improvement in the fiscal health of

the organization.

Michael was replaced as chairman by CTF board member Adam Daifallah.

Daifallah is a co-founder and partner at HATLEY Strategy Advisors, a public affairs firm with offic-

es in Montreal and Quebec City. Previously, he worked as a lawyer and journalist and is co-author of two books on Canadian politics (one with former CTF Ontario director Tasha Kheiriddin). Adam is an instructor at McGill University's North Ameri-

Trudeau tax change

Canadians have chosen a change in government for the first time in a decade.

Justin Trudeau's Liberals sailed to a majority government Monday on a message of change.

So what will this "change" mean for Canadians' pocket-books? A look at the Liberal election platform tells us it's a mixed bag.

Start with the good news.

The Liberals promised to cut the middle income tax rate, for those making \$44,000 to \$89,000 a year, from 22% to 20.5%.

This is a welcome move, and something the Stephen Harper government repeatedly took a pass on in favour of countless

AARON WUDRICK
Guest Columnist

@awudrick

tains a litany of tax hikes — some obvious, some less so.

First off there's the pledge to add a new 33% income tax bracket on those earning over \$200,000 annually.

While the wealthy may not be the easiest bunch to feel sorry for, punishing success and wealth creation is a bad signal to send to entrepreneurs and other highly-skilled



Former board chair Michael Binnion and current board chair Adam Daifallah

can studies program, a fellow of the Montreal Economic Institute, on the

executive committee of the Quebec Chapter of the Institute of Corporate

Directors and on the communications committee of Golf Canada.

Federal election

Election campaigns are important times for the CTF. While third-party donation and expense rules often keep us from running paid advertisements, we are always active promoting good policy, admonishing bad policy and keeping tabs on the costly promises.

Despite it being the longest election campaign in modern Canadian history, the CTF was once again in the mix. Prior to the launch of the campaign, the CTF polled supporters asking them to rank a long list of public policy priorities. After tabulating the results, the CTF put together a "15 for 2015" election wish list. Among others on the list were conducting a core review, posting all MP and senator expenses online, reforming public sector pensions, introducing recall legislation, reforming EI and implementing a debt repayment schedule.

The CTF then partnered with 17 other groups from across the political spectrum to sign a joint letter calling on all three major parties to reform Canada's access to information laws.

These laws are vital to the watchdog work we do at the CTF. Other letter signers included the Canadian Association of Journalists, BC Freedom of Information and Privacy Association, Greenpeace Canada and Canadian Journalists for Free Expression, to name a few.

We had a hunch that the NDP was lowballing the cost of its proposed national daycare plan, modeled after the Quebec \$7-a-day system. We contracted Quebec researcher and PhD candidate Vincent Geloso to conduct a "fact check." Turned out our hunch was right and the NDP's cost estimates were short \$1.3 billion.

Perhaps our most important work came as we regularly tabulated and released a spending promise tracker. When all was said and done, the CTF calculated that the Liberals had the

“With 180 MPs either retiring or defeated, the CTF estimated they would share \$5.3 million in annual pension payments, totalling \$209 million by age 90.”

costliest promises, totalling \$10.1 billion. The NDP was second with \$5.7 billion in promises while the Conservatives only promised \$256 million. The Liberals also had nine uncoded promises.

Following the election, as is a CTF tradition, we calculated and released the pensions and severances for defeated and retired MPs. More than half of the House was

replaced, with 180 MPs either retiring or defeated. In total, the CTF estimated they would share \$5.3 million in annual pension payments, rising to a cumulative total of \$209 million by age 90 (the average age to which the chief actuary estimates MPs will live). In addition, MPs who were ineligible for the pension, or could not

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ges a mixed bag

Canadians (there are over million of them).

Lowering the investment nit could have negative pacts for millions of Cana- dians, especially seniors who ve been using TFSAs to maximize retirement savings. Meanwhile, vague prom- ises of "enhancing" the Can- a Pension Plan could mean smaller paycheques for work- ers, not to mention another payroll tax on employers.

But worst of all for taxpay- ers are the Liberal promises to end, \$150 billion over four years.

True, some of it will be paid r by cancelling other pro- grams.

But there's still a consider-

More debt means more tax dollars wasted on interest payments rather than actual programs and services.

That leaves cash-strapped governments desperate to find more money, which they inevitably do by raising taxes.

In fact, this describes exactly what is happening today.

Because of the chronic defi- cits of the past — ironically, a trend started by none other than Pierre Trudeau — we now have \$612 billion in federal debt.

This debt cost taxpayers \$26 billion in interest payments last year — nearly the same amount raised by the GST.

If we had no federal debt, that money would easily pay for all the promises in the Lib-



Doneane Papandreou of Willow Park Wines and Spirits stocks shelves in the store on Wednesday. The provincial government has proposed big changes to the liquor retailing system in Saskatchewan, which would create many more privatized stores. **BRYAN SCHLOSSER/REGINA LEADER-POST**

REGINA
LEADER-POST

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original

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40 liquor stores may privatize

Union calls move 'reprehensible', gov't giving up' \$32M in revenue

EMMA GRANEY
REGINA LEADER-POST

Sweeping changes to provincial li- quor retailing have been labelled the biggest shakeup of Saskatche- wan liquor rules since Prohibition.

Minister responsible for the Sas- katchewan Liquor and Gaming Au- thority Don McMorris announced

the changes Wednesday, ending weeks of mystery about when the government would release the re- sults of a liquor review it started last November.

The plan includes closing 40 SLGA stores and converting them to private ownership, expanding opening hours and product choic- es, opening a dozen more private

liquor stores in the province — in- cluding one in Regina and one in Saskatoon — and allowing off-sales to buy wholesale from SLGA and grocery stores to open in-house liquor outlets.

But none of that will come into effect until after April's provincial election — if the Saskatchewan Party hangs onto power, of course.

Saskatchewan Government Em- ployees Union (SGEU) president Bob Bymoen calls the proposed changes "reprehensible," and not just because of the loss of 196 SLGA jobs.

In Regina, the liquor store at Broad Street and 12th Avenue will be converted to private. In Sas- katoon, the 20th Street West and Market Mall stores will go private. No workers at the Broad Street store would speak to the Regina Leader-Post on Wednesday.

Bymoen accused the government of caving in to private lobby groups and "giving up \$32 million in profit to privateers, rather than using it to fund our schools, our universities, our roads."

SEE LIQUOR ON P. 2

immediately collect, pocketed \$11 million in severance cheques.

For the first time, CTF Research

Director Jeff Bowes also included the lifetime contributions by each MP.

According to Jeff's calculations this

group of former MPs contributed \$1 for every \$17 they will pull out of the pension plan.

Saskatchewan liquor changes

While it's too early to declare a victory, the CTF earned a solid commitment this year on ending Saskatchewan's liquor sales monopoly.

After decades of ground- work by previous CTF direc- tors, pushing politicians to get out of the retail liquor busi- ness and leave it to the pri- vate sector, new CTF Prairie Director Todd MacKay was able to finally break through.

Last summer Todd quietly organized a coalition includ- ing the Saskatchewan Hotels and Hospitality Association and Restaurants Canada. De- spite diverse views and vested interests, Todd was able to get coalition members on the same page and unified in their request to govern- ment. The idea was simple: every off-sale, every rural liq- uor store, every government liquor store and every pri- vate liquor store should be

treated the same. They would have the same licence, the same rules and they would compete with each other on a level playing field.

The coalition launched a cam-

paign encouraging patrons of their businesses, along with CTF support- ers, to push this idea to the Wall gov- ernment. The coalition also met with the minister in charge, pitching the single-licence concept.

In mid-November the Sas- katchewan government an- nounced that if it is re-elect- ed in the spring, it will adopt the single-licence solution. While falling short of what CTF supporters told the Wall government they wanted during the public consulta- tion process, the government has also committed to sell 40 of its worst-performing liq- uor stores.

While this commitment is still predicated on the Wall government being re-elect- ed and not changing its mind over the coming months, we're hopeful we can declare this a full victory before the end of 2016. **t**

2015 self-reported media & activities

Month	Media quotes/ contacts	Activities*	Visitors to Taxpayer.com
January	203	64	43,454
February	194	63	26,245
March	297	83	21,325
April	197	80	25,865
May	216	115	15,770
June	189	152	26,337
July	240	113	23,279
August	168	86	17,736
September	174	166	20,815
October	221	145	48,852
November	195	162	34,558
December	197	132	26,210
Total	2,491	1,361	330,446

* Includes speeches, events, meetings, reports, letters, blog posts, etc.



by **Jordan Bateman**
BC Director

It's a phenomenon played out thousands of times a day, in many different settings across British Columbia.

A pensioner goes to the store to make her usual purchase, but discovers she doesn't have quite enough

money to cover it anymore.

A business owner notices a customer cutting down his regular order: "I'm sorry," the customer says. "Money's just too tight – I can't afford it."

A family makes a tough decision to cancel a child's sport registration. "We're just stretched too thin."

Taxpayers – whether a family, pensioner, couple or business owner – are finding it harder to scrape by in BC.

Taxes continue to rise, eating away at the disposable income of British Columbians. With government taking more and more money, there's less and less left in consumers' pockets.

Personal taxes

The BC government's own statistics show how taxpayers have fallen behind over the past five years.

In 2009, a two-income family of four making \$90,000 a year paid \$8,761 in total provincial and municipal tax, including income, property, sales, fuel, Medical Services Plan and carbon taxes.

Five years later, that same family paid \$9,922 in those same taxes – nearly \$1,200 more, or \$100 per month.

Five years ago, at the end of every week, that family had an extra \$20 bill and a bonus toonie left in their pockets. That's \$22 more, every single week of the year, going to government.

We see this tax increase in all income brackets:

- ▶ A two-income family making \$60,000 a year pays nearly \$1,000 more.

“It's a tough time to be in business, with both higher taxes going out and less consumer cash coming in.”

Why citizens and businesses struggle to get by



- ◆ A low-income family of \$30,000 pays \$700 more.
- ◆ A single person making \$80,000 pays \$500 more.
- ◆ An elderly couple with \$30,000 in pension income pays \$429 more.

These taxes don't include hidden tariffs, federal taxes or increases in government-run utilities. BC Hydro electricity, ICBC car insurance, government liquor, municipal water, sewer, garbage and drainage, BC Ferries fares, bridge tolls, cigarette taxes and transit fares have all gone up in the past five years, further eroding people's disposable income. The property transfer tax hasn't been increased, but the property values it is charged on are soaring, meaning more money from taxpayers.

Medical Services Plan taxes have just jumped again, and bridge tolls and ICBC and Hydro rates are also set to increase. Municipal governments are planning major tax and utility increases – most far higher than the rate of inflation. And BC is considering restarting annual carbon tax increases in 2018 by as much as 2.2 cents per litre of gas.

No wonder people have less money to spend – they've already handed it over to government.

Business taxes

This creates a double hit for businesses. Not only do they lose out on the money customers could be spending for their services and products, but they are also seeing their tax burden grow. Less money in, more money out: a painful combination for a business.

As bad as municipal taxes and utility fee hikes are for homeowners, they are even worse for business owners, who paid between 2.5 and eight times more in local taxes, depending on which city they are in. A \$40 annual increase in a homeowner's property tax could

translate into another \$320 tax hike for a business.

Many of these tax hikes have shrunk bottom lines. ICBC and toll hikes make it more expensive for businesses to insure their vehicle fleets. Hydro increases make it more costly to turn on the lights or operate machinery.

On the payroll side, continual contribution increases to the Can-

ada Pension Plan, Employment Insurance and Medical Services Plan tax have made it more expensive to employ people. Instead of adding jobs, many business owners are struggling to maintain their staff levels.

It's a tough time to be in business, with both higher taxes going out and less consumer cash coming in. **t**

What can be done?

Taxpayers cannot remain silent. Special interest groups keep coming to government, demanding billions more in taxes and spending. It's up to us to push back.

The first step is to make government realize it has a spending problem and is overtaxing us to pay for it.

Here are three ways to fight back against higher taxes:

Take every opportunity to make your voice heard. Some politicians claim they never hear from the public about lowering taxes, so write your MP, MLA and mayor. Governments often offer the public opportunity

ties to make comments on budgets and tax issues. When you get an email from the CTF with a call to action or hear about a chance to make your feelings known, take it.

Push your other associations to fight for lower taxes. Besides the CTF, are you part of a business association? A neighbourhood group? A union? A professional body? A ratepayers organization? Then let them know that lower taxes are a key priority for you. The more voices pushing

for a lighter tax burden, the better.

Get your circle involved.

Talk to your friends, family,

store owners where you shop about the need for lower taxes. Encourage them to support the CTF

by signing up at Taxpayer.com. Together, we can change the politicians' minds.

“Take every opportunity to make your voice heard.”





by Paige MacPherson
Alberta Director

In November, the Alberta government introduced a broad-based tax on everything that moves: a carbon tax. The

government also committed to shutting down coal-fired power plants in the province by 2030 and has indicated a willingness to hand out subsidies to green energy companies.

The whole kit and caboodle is estimated to cost Alberta families between \$300 and \$600 per year when it's introduced in 2017, increasing to \$900 per year by 2030. The carbon tax will raise the cost of home heating, gas, transported goods like food and clothing, increase electricity bills and generally make Albertans poorer – but it will not impact global climate change.

The Canadian Taxpayers Federation crunched the numbers using the sunniest of predictions from the government-commissioned report on climate change, and greenhouse gas emissions data from the World Resources Institute and Canadian government. What we found is that, unsurprisingly, Alberta contributes very little to global greenhouse gas emissions, but more importantly that the carbon tax and accompanying strategy will make not the merest dent in climate change.

The implementation of the full policy framework recommended to the government would “roughly stabilize emissions by 2030,” meaning we’ll actually be emitting three megatonnes more carbon in 2030 than we are now, but that the growth

Carbon tax impacts citizens, not the climate

will slow. Canada contributes 1.65% of emissions worldwide. Of that, Alberta contributes 36.8%. After 13 years of the carbon tax, Alberta will have increased global emissions by 0.007%. Without the carbon tax (saving families between \$300 and \$900 per year), we would increase emissions by one tenth of a percent. That’s it. That’s the infinitesimal difference worth billions in new taxes.

To put that in perspective, after 13 years of carbon taxes and command-and-control regulations, we’ll have reduced our emissions by the amount that China kicks out every three and a half months.

Every policy must be measured on its impacts. The carbon tax will have major negative impacts on Alberta families, businesses and rural communities. Yet it will have virtually no impact on climate change.

It was reported that when Alberta Premier Rachel Notley was developing her energy policies, she consulted with Ontario advisors. Oh, brother! Ontario’s energy policies have been a disaster, as confirmed by a recent auditor general report showing that between 2006 and 2014, the electricity portion of hydro bills for Ontario homes and small businesses ballooned by more than 80%. Meanwhile, the On-



“The carbon tax will have major impacts on Alberta families, businesses and rural communities. Yet it will have virtually no impact on climate change.”

tario government has blown billions on corporate welfare to green energy firms, the majority to a handful of wealthy compa-

nies. Alberta already lost billions of tax dollars to corporate welfare in the '80s and '90s – we needn't go down that road again.

As with all policies, we need to demand that government assess the carbon tax based on its impacts, not on its fuzzy feelings.

You better watch out: **more naughty than nice**

Here at the CTF Alberta office, we did old Saint Nick a favour by filling him in on which MLAs, government ministers and taxpayer-funded organizations have been naughty or nice to Alberta taxpayers this year.

Topping our Naughty List are Premier Rachel Notley and Environment Minister Shannon Phillips for introducing a massive carbon tax that will make Albertans poorer but will have virtually no impact on climate change. We hope they like coal more than they've let on, because they're getting lumps of coal in their stockings this Christmas. Finance Minister Joe Ceci makes the naughty list as well for introducing an endless list of tax hikes.

The Easter Bunny helped put the taxpayer-funded Alberta School Boards Association on our Naughty List for spending on flights for staff between Calgary and Edmonton, hotel stays for staff living in the same city, meetings at luxurious venues, staff birthday and Christmas gifts, cake days and adult Easter egg hunts.

Former Alberta premier Jim Prentice made the Naughty List when he took his snowball and went home after losing the provincial election, sticking taxpayers with an estimated \$275,000 bill for an unnecessary byelection. The former PC government was naughty for scrapping the single-rate income tax, setting the Alberta Advantage back decades.

The owners of the Calgary Flames deserve coal for having the audacity to ask cash-strapped taxpayers to pay for their professional sports arena complex. We love the teams but we say no to corporate welfare.

Deck the halls on your own dime.

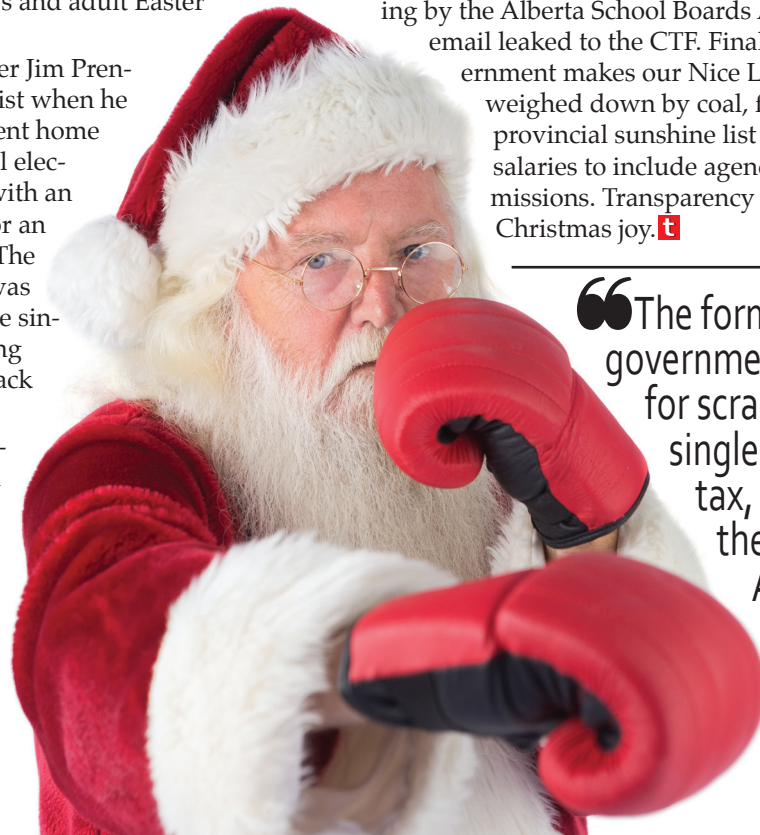
Our list achieved a nice outcome when Wildrose MLA Angela Pitt, who made the naughty list for expensing a designated driver's ride home, apologized and agreed to pay back her expense.

Topping the Nice List is the No Expenses Club: Opposition Leader Brian Jean, Aboriginal Affairs Minister Kathleen Ganley and NDP MLAs Rod Loyola and Jon Carson filed no additional MLA expenses this year. That's very nice when unemployment and tax hikes are the ghosts of Christmas present.

Also on the Nice List is city of Calgary manager Jeff Fielding for cancelling taxpayer-funded holiday parties for city staff, and Edmonton city auditor David Wiun for uncovering multiple counts of waste and mismanagement.

Alberta Health Minister Sarah Hoffman made the Nice List for her time as Edmonton public school board chair, when she questioned the frivolous spending by the Alberta School Boards Association in an email leaked to the CTF. Finally, the Alberta government makes our Nice List despite being weighed down by coal, for expanding the provincial sunshine list of high tax-funded salaries to include agencies, boards and commissions. Transparency fills our hearts with Christmas joy. 

“The former PC government was naughty for scrapping the single-rate income tax, setting the Alberta Advantage back decades.”





**SEEMS TO
PAY OFF**



by Todd MacKay
Prairie Director

Saskatchewan is embarking on the most expensive infrastructure project in its history: the Regina bypass. The bypass will connect with the TransCanada on the east side of Regina, loop south around the city and link up with the TransCanada and the Global Transportation Hub on the west side. It will include 60 km of highway, 12 overpasses and 32 bridges.

The bypass will reroute traffic that's going through Regina and replace deadly four-way crossings on the east side of the city with much safer overpasses. Those are the promised benefits.

The cost is huge: \$1.88 billion.

And it's a controversial project.

One point of controversy is route. Critics say alternative routes would be cheaper and more effective. There are no traffic engineers at the Canadian Taxpayers Federation so we'll leave that debate to others.

The other point of controversy is the cost and structure of the deal. Taxpayers are right to question any bill as big as \$1.88 billion. Further, the bypass project is being delivered as a public-private partnership (P3)

rather than a traditional government build.

Instead of managing the project directly and hiring contractors in the traditional process, the Saskatchewan government is using a P3 model under which it defines the objectives and requests proposals from the private sector to design, build and maintain the project. A group of businesses called the Regina Bypass Partners submitted the winning bid of \$1.88 billion. They are now responsible to get the job done and maintain it in like-new condition for 30 years.

Here's the question: are taxpayers getting a good deal?

“The provincial government saved a total of \$557 million by choosing the private sector [P3].”

The Saskatchewan government asked Ernst and Young to do a value-for-money report. The report found that the project would have cost \$2.26 billion if the government had undertaken the work. That means the government saved \$380 million, or 17%, by using the P3 model.

Actually, the P3 included an additional benefit. The federal government made \$177 million available for the project, but only if the province used the P3 model. That means the provincial government saved a total of \$557 million by choosing the private sector.

Of course, it's important to look at the details. The value-for-money report included more than \$400 million in costs associated with risk if the government had managed the project itself. In other words, if everything went well, the government could have done the job for less than it's paying its P3 partners. On the other hand, if its private partners run into bad weather or unforeseen delays, they'll have to absorb those costs.

The other bidders can shed some light on that ques-

tion. The CTF submitted numerous freedom of information requests regarding the Regina bypass project including the amounts of the losing bids. The government said contractual obligations won't allow them to release the individual losing bids, but disclosed that the average of the two losing bids came in at \$2.3 billion. Clearly the other bidders thought the risk of losing money on the mammoth project was too high to offset the potential profits at a lower price.

DEBT CLOCK WARNING: BORROWING IS RISING

Predicting a tax hike is easy. First, government spending goes up. Second, government debt goes up. Third, taxes go up.

We brought our famous Debt Clock to Saskatchewan to break that pattern.

Saskatchewan is borrowing \$700 million for infrastructure and it's running a \$262-million operational deficit as oil prices plummet. That means the provincial debt is going up by an average of about \$2.7 million per day. People across the province saw those numbers flying up in real time as the Debt Clock stopped in more than a dozen communities in November.

The Debt Clock goes where debt is going up. It's pretty simple. But that's not how some people saw the situation. Even right-leaning radio talk show host John Gormley said the CTF "should have their heads examined."

He went on to

point out that Saskatchewan's debt is lower than most other provinces.

It's true that Saskatchewan is doing less badly than other provinces. Until this year, the debt has been going down. Saskatchewan's neighbours in Alberta and Manitoba have been running long strings of deficits that have resulted in credit rating downgrades. This year Alberta is running a deficit of more than \$6 billion. Manitoba is spending \$842 million just to cover the interest on its debts. They're both in real trouble.

And that's the whole point: while other provinces are digging themselves deeper into debt with reckless abandon, Saskatchewan has the chance to turn things around if it acts quickly.

But first the government has to get past the idea that its debt doesn't stink. Infrastructure needs and low oil prices are part of the problem, but the debt isn't that different from other provinces. Saskatchewan's spending has gone up by more than 10% in less than 10

years even after accounting for inflation and population growth. Fiscally conservative Premier Brad Wall is spending more per capita than Manitoba's socialist Premier Greg Selinger.

First, Saskatchewan's spending went up. Second, Saskatchewan's debt went up. Third, Saskatchewan's taxes will go up – unless ...

Saskatchewan is cutting spending. That's right: there's a government in Canada that's actually trimming its budget. In fact, about a month after we wrapped up our Debt Clock tour, the government released its second quarter numbers that showed it had cut \$107 million. Both the Saskatchewan Party government and the NDP opposition expressed a commitment to controlling spending. There's more work to do, but it's a good start. **t**





PREMIER



by Todd
MacKay
Prairie Director

Prim Minister Justin Trudeau has promised to legalize marijuana. It remains to be seen if, when and how that might happen. But Manitoba Premier Greg Selinger is already sure about one thing: if pot is going to be sold in his province it's going to be sold in government stores.

"These are all highly addictive drugs and we want to make sure Manitobans get the best opportunity to be properly protected from them," said Selinger.

Again, depending on how mar-

wants a pot monopoly

ijuana legalization goes, a range of different retailers may be worth considering. But Selinger isn't open to any other options. According to his line of thinking, only unionized government employees can be trusted with something like pot.

Of course, hundreds of private off-sales, restaurants and bars sell alcohol. Every gas station and convenience store sells cigarettes. Even guns are sold by private

businesses. And what about pharmacies? They carry and dispense hard-core narcotics that are extremely addictive and potentially deadly. Surely Selinger wouldn't advocate nationalizing every neighbourhood drug store.

The government does have a responsibility to keep society safe. If marijuana becomes legal, it will remain entirely appropriate for the government to regulate it. And if someone gets caught breaking the rules, they should face the full force of the law. But the government should be focusing on getting the regulations and enforcement right rather than jumping to add employees to the public payroll.

Tiger Dam 'leak' should lead to inquiry

The best way to get the best deal is to shop around. It's also the best way to make sure nobody's getting an unfair advantage on government contracts. But it only works if the competitive process is truly competitive.

The Interlake Reserves Tribal Council (IRTC) bought 38,000 metres of flood barriers. IRTC used \$5 million provided by the federal government and, because public money was involved, a formal tendering process was used. The Canadian Taxpayers Federation obtained documents through an access to information request that suggest the process was less than fair.

The Manitoba government had originally announced the purchase of flood barriers worth \$5 million on July 25, 2014. According to the *Winnipeg Free Press*, International Flood Control, the manufacturers of a product called Tiger Dams, submitted an invoice for \$5 million to IRTC a few days later. However, problems developed.

Manitoba's ombudsman opened an investigation into the provincial procurement process after a whistleblower raised questions. The provincial funding stalled. That's when the federal government stepped in. By March 2015, IRTC had purchased the Tiger Dams using \$5 million from Ottawa.

Documents from Aboriginal Affairs and Northern Development Canada (AAND) obtained by the Canadian Taxpayers Federation show this may have unfairly favoured the Tiger Dams brand.

"Because Ottawa has \$5 million in [a capital budget], they want to use this money to buy Tiger Dams,"



Louisiana National Guard setting up Tiger Dam tubing, that will then be filled with water to function as a flood barrier. Photo: U.S. Army/Flickr/Creative Commons

wrote Derek Pena, an AANDC official, in an email on March 10, 2015. "It seems that only one company exists that sells a highly certified Tiger Dam product. We could do an RFP (request for proposal) citing this certification as a necessary requirement."

Requiring certification may sound good, but that's only true if the certification is applicable. The certification wasn't required on the provincial procurement. Saskatchewan buys similar flood control barriers and doesn't require the certification.

Then there's the rush. The procurement process only closed on March 20, but required full delivery by the end of the month. Documents show that other bidders thought the timeline was too tight; one offered to deliver by the end of April. Federal bureaucrats stuck to their deadline.

"Delivery by March 31 may be a challenge," wrote David Moore, an AANDC official, in an email on March 13. "Nevertheless it will be a condition of the RFP."

The federal government included one more requirement that favoured

Tiger Dams: stackability. Tiger Dams can be stacked to achieve different heights. However, other suppliers, including one that submitted a rejected bid, are able to stop the same flood levels without requiring stacking.

When a process is competitive nobody should know who won until the game is over, but the winners seemed to know it was in the bag.

"Anita [Wilson, executive director for IRTC] informs us they 'understood' the \$5M was to go as of the close of the RFP and proceeded to verbally inform the winner to implement," wrote Moore in an email dated March 24, 2015. "Apparently, International Flood Control has already started so as to meet the March 31 deadline. We have sent an email telling them to hold sending a written award till we advise."

The CTF has called on Carolyn Bennett, minister of Indigenous and Northern Affairs, to investigate the federal procurement process in this case. Too many questions have been raised at too many points in this process. Taxpayers deserve answers. **t**

Wynne 'Invents' private retail beer sales



by Christine Van Geyn
Ontario Director

Beer finally became available for sale in a few large Ontario grocery stores on Dec. 15. Premier Kathleen Wynne and Finance Minister Charles Sousa made a show of purchasing beer at a Loblaws store in north Toronto.

For all the cameras and back-slapping, you'd be forgiven for believing that Kathleen Wynne had personally invented the idea of private retail beer sales.

Instead, what she actually created is an overly bureaucratic and micromanaged set of government rules that allow a select few government-approved large grocery stores to sell beer.

There are currently only 58 grocery stores permitted to sell beer. And none of them are in rural areas or the downtown core in Toronto.

The government is allowing another round of bidding for 92 additional licences to sell beer by May 2017.

According to the rules, only grocery stores that have a minimum 10,000 square feet of retail space are permitted to sell beer. They must also sell a variety of canned food, dried food, frozen food, fresh fruits and vegetables, fresh and prepared meat, dairy products, baked goods and snack foods.

Apparently only the large-scale vendors of frozen peas and canned beans have the expertise needed to sell beer.

The employees who stock beer onto the shelves must also be over 18 and have government accreditation from the SmartServe program – even though those who stock the shelves have no sales interaction with consumers.

Beer also cannot be sold after 6 p.m. on Sundays or in quantities larger than six-packs. That privilege is retained by the foreign-owned former monopoly beer retailer, the Beer Store, which has donated more than \$1.1 million to Ontario politicians over the past decade. Meanwhile, 10 LCBOs (the government-run monopoly Liquor Control Board of Ontario) in the greater Toronto area are participating in a “pilot project” to test whether consumers can be trusted to buy beer in – gasp – 12-packs. Further study is clearly needed.

And what will the privilege of selling beer cost each grocery store? Between \$3,000 and \$7,000 per year.

Ontario has always had the most complex rules around beer sales and somehow the “liberalization” of beer sales is even more complicated.

The idea of private retailers selling beer isn't rocket science. In fact, many other provinces allow private beer sales and they don't seem to have descended into alcohol-fueled anarchy.

But a simple process wouldn't serve Kathleen Wynne's purposes, which are to keep her donors at the Beer Store happy and to drive revenue through the sale of these expensive licences. After all, her government is faced with nearly \$300 billion in debt, has a \$7.5-billion annual deficit and spends \$11.3 billion each year on debt interest.

So if your local grocery store is one of the lucky few to pay for the privilege of selling beer, just remember that, like most of Wynne's policies, this one is less about consumer choice and more about money for her government.

“The idea of private retailers selling beer isn't rocket science.”

Another year, another 'biomass' of waste

The Ontario auditor general annually hands out an early Christmas present for government critics and lumps of coal for the government in the form of her yearly report.

The report covers a wide range of value-for-money audits and each year it seems to contain ever-more embarrassing revelations about waste by the Ontario government.

The 2015 annual report may be the most scathing yet.

One of the most galling findings in the report was that between 2006 and 2014 the electricity portion of hydro bills for homes and small businesses ballooned by 80%; consumers have paid \$37 billion above market rate for electricity. Ontario paid \$9.2 billion more for solar and wind electricity as a result of the *Green Energy Act*, which has the province locked into 20-year contracts for the supply of wind at double the average US market price and three and a half times the US market price for solar.

This is a frustrating revelation for Ontario families who struggle to pay some of the highest electricity bills in North America. The auditor general predicts that between 2015 and 2032 con-

sumers will pay another \$133 billion above market rates for electricity.

A particularly egregious example of waste in the electricity sector is government's decision to convert a coal plant near Thunder Bay into a biomass plant, against the advice of the Ontario Power Authority. The new biomass plant can only be fuelled by wood chips imported from Europe, so the cost of electricity from that facility is \$1,600/MWh – 25 times higher than the average cost at other biomass facilities.

The auditor general also found that new welfare software was launched prematurely and will cost \$130 million over budget. The software also issued \$89 mil-

lion in potential overpayments.

She found that Ontario's 47 Children's Aid Societies are too slow to investigate allegations of abuse and often fail to per-

form basic background checks on the people involved in the care of vulnerable children.

The Ministry of Economic Development doled out \$1.45 billion in corporate welfare, 80% of which went to companies that were "invited" to apply. The grants were never publicly posted. Once the grants expired, there was no follow-up to see if the money had created lasting jobs.

Each year the auditor general finds worse and worse waste in Ontario. It's time for Premier Wynne to take these reports seriously instead of simply making excuses. **t**

“Between 2006 and 2014 the electricity portion of hydro bills for homes and small businesses ballooned by 80%.”

Bombardier:

Joseph-Armand must be turning in his grave



by Pierre-Guy Veer

Founded in 1942 by one of the rare French-speaking entrepreneurs who dared making profits in ultra-Catholic Quebec,

Bombardier Inc. is nothing like its former self. Joseph-Armand was an inventor who created a new market for leisure snowmobiling with his "auto-neige." Now Bombardier has become Quebec's (and Canada's) leading basket case of corporate welfare.

Trudeau nationalized Canadair in 1976 in order to keep aeronautics alive in Canada. Some believed that it was done to calm down the separatists, always ready to complain about Ottawa's mistreatment of the province. The Mulroney government sold Canadair to Bombardier in 1986, which created Bombardier Aéronautique. For the first decade, when Bombardier bought a few more failing aeronautic businesses, it was relatively successful.

However, people started noticing serious problems with the company by the end of the previous century. Socialist profes-

sor and commentator Léo-Paul Lauzon pointed out that Bombardier had received more government funds between 1997 and 1999 than it claimed to have paid in taxes. He also quoted federal auditor general Denis Desautels, who questioned the "undue advantage" granted by Ottawa for a \$2.8-billion NATO contract without a call for bids. Other critics staunchly denounced Bombardier's constant threat to move out of the province unless it received more government funds.

In 2003, the Montreal Economic Institute exposed the depth of Bombardier's welfare dependence. It received \$7.4 billion from Export Development Canada and

Between 1996 and 2003 Bombardier received \$9 billion in assistance from the federal and Quebec governments.

\$1.6 billion from Quebec between 1996 and 2003. EDC vice-president Ronald Dahms admitted its assistance represented between 35 and 40% of Bombardier's commercial plane sales.

This ongoing taxpayer funding seems to have fostered a culture of risk-taking if not outright incompetence. The pains of the now-infamous C-Series airplane started as early as 2008, when Ottawa and Quebec granted nearly \$500 million for

Bombardier to develop the new model. As of late 2015, it was two years behind schedule, was largely responsible for the company's \$4.9-billion loss in the third quarter of 2015 and would be profitable only by 2021 according to internal estimates.

But at least Bombardier promised to keep its headquarters in Quebec for the next 20 years. In exchange for a billion-dollar handout in October, the province now holds 49.5% of the C Series



Bombardier Dash 8 Photo: Morgan/Flickr/Creative Commons

through a new company chaired by former Liberal premier Daniel Johnson.

If Premier Philippe Couillard wants to stay true to his promises of fiscal probity, this should be Que-

bec's final handout to a company that was founded in a spirit of entrepreneurship and self-sufficiency.



Why Quebec should drop its public daycare

Quebec has been living through its umpteenth sector-wide collective bargaining round with its nearly 600,000 employees. As expected, unions were going on strikes, making a lot of noise and basically asking for the moon without regard for the province's capacity to pay.

If Premier Philippe Couillard truly cares about taxpayers – he still aims for balanced budgets – he should cull the white elephant herd, starting with the public daycare system, Centres de la Petite Enfance (CPE).

Parents pay \$7 per day per child at a CPE; the government picks up the remaining tab of about \$43 per day.

In advance of the federal election, the Canadian Taxpayers Federation commissioned research into the CPEs by Vincent Geloso, a course lecturer at HEC

Montreal and a PhD candidate at the London School of Economics.

He found that while the number of CPE places increased by 166% since their creation in 1997, their cost increased sevenfold.

In addition CPE has not benefited the lower-income households for whom state-subsidized day care was intended. Only half of the poorest 25% of households actually use CPE

compared to 84% of the richest quarter. Households with higher education attainment are also more likely to use the CPE.

Defenders of the day care system say it has encouraged mothers to join the paid workforce, thereby boosting the economy (and paying taxes). But the impact on the em-

ployment rate of females aged 25-44 has very likely been exaggerated. A province-by-province comparison shows New Brunswick, Nova Scotia and Newfoundland all had similar increases in female employment rates with no CPE programs.

But even if the CPE did benefit female employment rates, it has done so very expensively and inefficiently. Instead, Geloso suggests removing existing barriers such as payroll taxes, which would lower private daycare costs and offer more choice to parents. He also states that income tax reduction could impact female employment more than male employment. Considering the high tax rates in Quebec, this option could be attractive for Couillard, who claims to side with taxpayers.

But to do that, the premier will have to abandon the Quebec "model." It has been done so very expensively and inefficiently, benefiting only the well-connected and the public unions. **t**

“Only half of the poorest 25% of households actually use CPE compared to 84% of the richest quarter.”

New Brunswick's \$100K club grows



by Kevin Lacey
Atlantic Director

The New Brunswick government is facing a \$453-million deficit. It is overspending so much that it will cost about \$600 for every man, woman and child in the province to pay the tab. The provincial government has been sounding the alarm, promising new spending reductions and tax increases to get the provincial budget back to balance.

When taxpayers must surrender yet more of their hard-earned money, it is disturbing that the number of government workers earning more than \$100,000 per year is rapidly growing.

According to our calculations, over the last four years the number of provincial employees earning \$100,000 or more has grown from 1,464 in 2011 to 2,233 in 2015. That's 769 more people getting \$100,000 or more, a 52% increase in just four years.

In 2007, there were just 777 government employees earning \$100,000 or more.

There are no signs of this changing. To the contrary, the government has promised pay increases.

In December, Human Resources Minister Stephen Horseman announced pay increases for "non-unionized" government workers, presumably management and senior positions. Affected employees were promised salary increases of 1% in 2016, and then 2% increases each year until 2019.

There are three main problems with giving out pay increases now.

First, the "strategic review" process, launched by the government last spring, is supposedly still looking into ways to save money, control costs and find new provincial revenues. Wage increases should be part of those discussions.

Second, pay increases to non-unionized government workers sets a precedent that almost guarantees raises for unionized employees when they go to the bargaining table.

Third, the pay and benefits of public employees must be considered in light of the overall economy and comparable positions in the private sector. Right now, private sector wages are struggling to keep up with inflation.

Employee salaries, benefits and entitlements make up one of the largest single expenses for government. Rapidly growing high-end salaries for government workers at this time can only lead to bigger budget deficits and higher taxes.





Nova Scotia government threatens to legislate union salaries

Photo: Nova Scotia Legislature Tom Flemming/Flickr/Creative Commons

The Nova Scotia legislature says that if the government cannot reach an agreement with its unions it is prepared to impose a deal.

Unions and the opposition NDP tried to slow the passage of the bill by filibustering and filling the committee studying the bill with union-friendly speakers.

But the government has two choices: attempt to bring government workers' entitlements more in line with those of the taxpayers funding them, or risk going further into debt.

Every 1% salary increase to government workers costs \$52 million each year. Government worker salaries make up 58% of all program-related expenses.

Nova Scotia has to stop giving unions excessive collective agreement deals that taxpayers and the economy just can't cover.

These debates are often dominated by government vs. union rhetoric, with little regard for the average taxpayers who ultimately foot the bill.

For the last few years, taxpayers have done more than their fair share of funding rich payments to unions while at the same time they struggle under high taxes.

The last three-year wage agreement of 2%, 2.5% and 3% has proven to be too expensive.

Real economic growth since the contract began in April 2012 stood at just 1.6%. The outlook is not good going forward. Economic growth is predicted to be 1% in 2015, and 0.8% in 2016.

Excessive pay increases are not sustainable.

Public sector wages in Nova Scotia account for over 30% of all income in the province – just behind Newfoundland, PEI and New Brunswick and a third higher than the national average.

The government is offering 0% in 2016 and 2017 and then 1.5% in 2018 and 1% in 2019.

Even under this bill of wage freezes, the cost of wages and benefits is still likely to increase due to re-classifications. In the case of teachers, wages will still rise due to "step increases" (teachers get automatic pay increases based on years of service).

This bill is needed only because the laws are currently stacked against the taxpayer when it comes to negotiating these collective agreements.

A more permanent solution is to change provincial labour legislation

The government needs to bring government worker salaries in line with those paying the bill.

with regards to arbitration. When unions and governments appear before an arbitrator, that arbitrator does not consider the government's "ability to pay." That means the fiscal situation of the province is not considered, nor how much the average person is being taxed. It would

be appropriate to consider the average pay increase of private workers and use it as a guide for what unions should be receiving.

Outside government, it's impossible to believe that any business or average taxpayer would not first consider how much they are willing to pay for something before they enter into a negotiation. But that is exactly what the government is forced by law to do every time they start talking to their unions.

Government workers make a valuable and important contribution to our province and they deserve fair pay and benefits for their work. But it's not right to ask the mechanics, construction workers, computer programmers, call centre employees or any other worker outside of government to fund union deals they can't afford and entitlements so far beyond what they themselves get. **t**

Panhandling for Bombardier

Aerospace company and longtime recipient of corporate welfare, Bombardier has asked the Trudeau government for a \$1.3-billion bailout from taxpayers – and did so just in time for the holiday season.

But rather than let the government cut another large cheque to the Montreal-based corporation, we decided to see if we could collect the money directly from Canadians on its behalf.

CTF Federal Director Aaron Wudrick, dressed as Santa Claus for the occasion, took to the streets of downtown Toronto and Ottawa, trying his darndest to fundraise for the corporation desperately in need of our charity.

Oddly enough, a handful of passers-by laughed when they read his "Save Bombardier" sign, as if they thought asking for donations to help a giant aerospace company was some kind of joke.

So far we've collected a whopping \$7.15 in voluntary donations from Canadians – only \$1,299,999, 992.85 to go!

You can check out this video and more by visiting the CTF's YouTube page www.YouTube.com/Taxpayerdotcom.



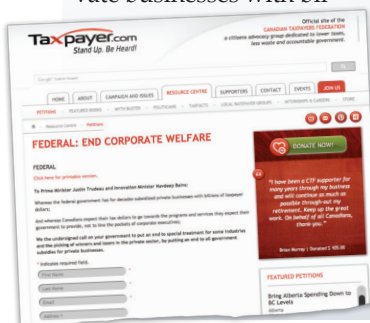
Featured online petition: end corporate welfare

With dozens of active petitions, the CTF offers an opportunity for supporters to get directly involved in the fight on behalf of taxpayers. Add your voice to a growing chorus of Canadians demanding action on important issues from balanced budgets to lower taxes. Already, active CTF petitions have been signed over 95,000 times and are being used to convince politicians of the merits, or dangers, of various public policy proposals.

This issue we are featuring the CTF's petition for the federal government to "end corporate welfare."

For decades, the federal government has subsidized private businesses with billions of taxpayer dollars. Canadians expect their taxes to go toward government programs and services, not to line the pockets of corporate executives.

To sign this or other CTF petitions, simply visit www.Taxpayer.com and select "petitions," located under the "Resource Centre" tab.



Tax Talk Live

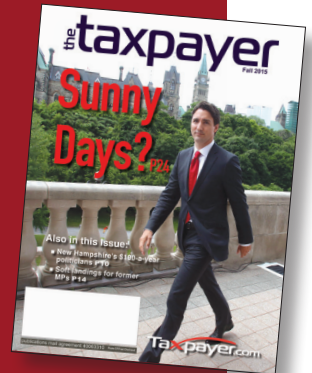
Join CTF Alberta Director Paige MacPherson and BC Director Jordan Bateman every Friday as they talk about taxpayer issues and government spending in our new, live, interactive broadcast, *Tax Talk Live*. The two chat with other CTF directors, interview experts and take your questions.

Live every Friday (noon Eastern, 9 a.m. Pacific) at www.Taxpayer.com/taxtalk.

Recordings are available at: www.YouTube.com/Taxpayerdotcom or as an audio podcast in the iTunes store (search for *Tax Talk*).

Reminder: *The Taxpayer* is now online

A friendly reminder that the current edition of *The Taxpayer*, as well as previous editions, is now online at Taxpayer.com.



Supporter comment of the issue:

"Please stop the Bombardier bail out. The equity and debt markets are open for business so there is NO reason the government should be giving them taxpayer money."

J. Andrew Graham | Donated \$105.00

Staff tweet of the issue:



Aaron Wudrick @awudrick · Jan 21

Crony capitalists and union leaders in cahoots to bilk taxpayers. Whoever said management + labour couldn't work together! #cdnpoli

6 3



By the Number\$

Number of people in the official Canadian delegation to the UN climate conference in Paris:

382

Number of people in the official American delegation to the UN climate conference in Paris:

148

Number of people in the official Australian delegation to the UN climate conference in Paris:

46

Number of official photographers in the Canadian delegation:

3

Number of politicians in the Canadian delegation:

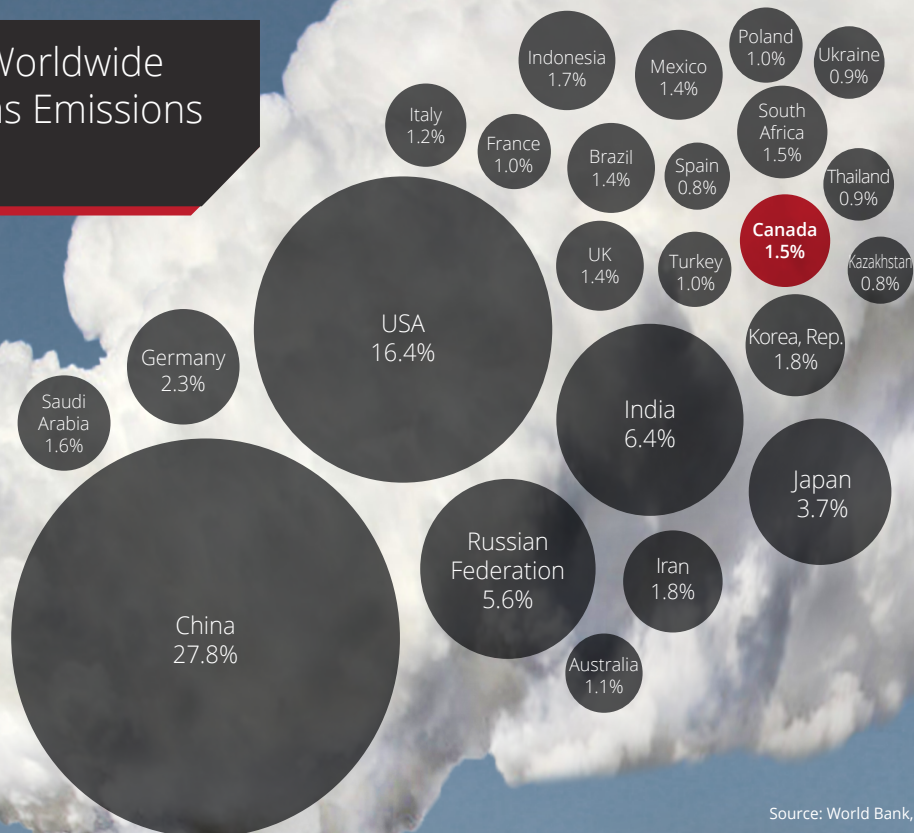
46

(including 11 premiers and 5 mayors)

Number of security personnel in the Canadian delegation:

60

Percentage of Worldwide Greenhouse Gas Emissions by Country



Source: World Bank, 2011

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